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# ***JPRS Report***

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## **East Europe**

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# East Europe

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## CONTENTS

8 DECEMBER 1987

### POLITICAL

#### HUNGARY

- Yugoslav Paper on 'Chameleonlike' Grosz [Zarko Vodinelic; VJESNIK, 3 Oct 87] ..... 1  
 Galgoczi Resigns in Protest Against Taxation of Writers  
 [Erzsebet Galgoczi; ELET ES IRODALOM, 2 Oct 87] ..... 2

#### POLAND

- Czyrek on PZPR Reformist Wing Origins, Soviet Restructuring  
 [Jozef Czyrek Interview; VJESNIK, 10 Oct 87] ..... 3

#### ROMANIA

- Yugoslav Weekly Discusses Shifts in Government [Dragoslav Markovic; DANAS, 13 Oct 87] ..... 6

#### YUGOSLAVIA

- Pavlovic's Career, Reasons for Dismissal Analyzed [Ratko Rodic; DANAS, 29 Sep 87] ..... 8  
 Bilandzic Assesses Pozderac Resignation, Country's Situation  
 [Dusan Bilandzic Interview; DANAS, 22 Sep 87] ..... 10

### MILITARY

#### BULGARIA

- Chief of Staff Queried on Impact of Political Trends [Atanas Semerdzhiev; POGLED, 21 Sep 87] .. 17

### ECONOMIC

#### HUNGARY

- Wage 'Grossification' Mandated as Compensation for Income Tax  
 [MAGYAR HIRLAP, 17 Oct 87] ..... 20  
 Minister: 'Legal Guarantees Protect the Taxpayer' [MAGYAR HIRLAP, 17 Oct 87] ..... 21  
 Changes in Private Sector Regulations Announced [MAGYAR HIRLAP, 17 Oct 87] ..... 22  
 Decree Imposes 25-Percent Tax on Private Entrepreneurs [MAGYAR NEMZET, 26 Sep 87] ..... 23

#### ROMANIA

- Interview With Economics Institute Director [Costin Murgescu Interview; CRONICA, 9 Oct 87] .... 23

### SOCIAL

#### GERMAN DEMOCRATIC REPUBLIC

- Protestant Leader Interviewed by Swiss Newspaper  
 [Manfred Stolpe Interview; DIE WELTWOCH, 3 Sep 87] ..... 27  
 Protestant Newspaper Calls for Freedom of Information  
 [Gottfried Mueller; GLAUBE UND HEIMAT, 11 Oct 87] ..... 28

**POLAND**

Noncompliance With Antialcoholism Law Examined [*TRYBUNA LUDU*, 13 Aug 87] ..... 29

## HUNGARY

**Yugoslav Paper on 'Chameleonlike' Grosz**  
28000004 Zagreb VJESNIK in Serbo-Croatian  
3 Oct 87 SEDAM DANA Supplement p 4

[Article by Zarko Vodinelic: "Karoly Grosz, a Stylist in a Race With Time"]

[Text] Hungarian Premier Karoly Grosz did not get much rest this summer. How could he have, when there was so much work to do? Two parallel struggles have already been under way in Budapest for some time now. One, overt and loud, includes the financial and economic reforms that Grosz and the experts worked out during the hot summer months, probably while thinking most of all about the most painless way to announce the reforms to the citizens, whose wallets would be hard hit by them. The other is a hidden but no less thrilling and bitter struggle for influence in the maelstrom of power: what position will give the best chance to jump ahead when the top Hungarian, Janos Kadar—a strong 75-year-old—drops out of the game?

In both spheres, Karoly Grosz—a corpulent 57-year-old whose face, they say, reveals the character of a man of great energy—is making great strides. "Time is pressing us. We cannot wait; we have to act," the Premier thundered before the parliament, which has recently been experiencing a real renaissance in Hungary. These high-flown words concealed bitter pills for the Hungarians, which were administered after long hesitation for the sake of economic recovery, quite different from Kadar's previous reforms, and which are in many respects close to a quasi-Thatcherist slashing of business taxes in order to stimulate the economy. New times demand new customs, one might say. But what is really going on?

### Race With Time

In the future, enterprises will have to pay smaller taxes (this is that famous "relief of the economy"), but instead taxes will be introduced on so-called luxury goods and—the greatest innovation—on citizens' earnings. A capitalist method in a socialist country, but as Grosz, the former Budapest party chief, has said, one must race against time (obviously thinking of what follows from that: so that time does not run over you). Now the Hungarians are even eliminating those notorious subsidies. One cannot live cheaply without the wherewithal to pay for it, as it was previously possible to do while accumulating a debt of \$16 billion—too huge for a nation which because of its vitality and tenacity always seems more numerous than it is.

Grosz, thus, was a star in the national assembly. Some people see this as a change in the balance of power between the state and party authorities in favor of the former, contesting the thesis that Kadar appointed Grosz to the thankless position of chief executive only in order

to make it easier to remove him from the race to be Kadar's own heir in these difficult times, as the government is increasingly taking over economic policy. This is already a speculative entry into that other sphere, in which Grosz's chief rival is Janos Berecz, the party's chief ideologue.

Those who remember Karoly Grosz from the time when he was the party secretary for Hungarian radio and television in the 1960's, or as the head of party agitation and propaganda in the 1970's, say that he has changed a great deal. At that time he was a rigid dogmatist, who in 1968 hampered Kadar's reform as representing pizzerias, private taxi service, and a quasi-NEP [New Economic Policy] agriculture. Others, whose memory reaches even further back into the past, claim that during the stormy days toward the end of 1956 Grosz raced around Budapest, delivering food to party members who were hiding in basements, afraid of being lynched.

The facts are more sound than the legend, however. A robust apparatchik, who was concerned with the party's image for two decades, he began his career as a printer, and then taught school for a while. After the above-mentioned ideological work in the media, and then in a province (the city of Borsod), his opportunity came, when perhaps it already seemed that these tests were taking too long. In 1984 he moved to Budapest. As the party chief of the capital, he automatically gained control over a fourth of the country's party membership. He entered the Politburo the very next year, and then it was quite clear that he was an important figure. A little more than two months before he had become the premier, surprising those who, after Gyorgy Lazar, expected someone with fewer ideological associations.

Through the style he is displaying today, Karoly Grosz seems to be indicating the beginning of his "election campaign," as one might say quite arbitrarily. When he was asked two years ago whether political reforms might follow the economic ones, he answered in the negative. Today he says that the political system has to develop, i.e., "we cannot close ourselves off from capitalism." These are probably the chameleon-like characteristics mentioned by those who know him, perhaps the right characteristic at a time when the world no longer needs Hungarian "vegetables" or obsolete hardware, when the reforms mean bankruptcies, unemployment, expensive hams—and a light at the end of the tunnel.

At a recent press conference, Karoly Grosz made light of Hungarian intellectuals at some length (many of them have dissident inclinations), while they uncomfortably recalled the difficult days while he was heading the party in Budapest. In the parliament, before a different audience, he stated that "hostile" tones would not be tolerated, while continuing to foster the image of a person who is "concerned about the masses," and recalling the theory he advanced at one time according to which 10 percent of the incomes at both extremes should be

eliminated and absorbed into the majority in the middle. Then again, in a conversation with several educated people, he criticized his own role at the time of the first reform.

### Calculated Pace

Today the Hungarians are quite surprised by the rapidity of the transformation in the man who is currently the most adroit figure in domestic politics. His detractors, however, say that this is a matter of a change in style, and not an indication of political reform—that “glasnost” in Moscow does not also mean “Grosznost” in Budapest. Others claim that this is good and that Grosz’s calculated pace is crucial for these troubled times in which it is becoming obvious that Kadar, the man who pulled Hungary out of a scenario for disaster precisely by virtue of the well-rounded edges of his political personality, has fulfilled his historic task.

All those who are subsequently glorified as historic figures have ended up with everything or nothing. Karoly Grosz has, admittedly, always known how to leave a door partly open, but the time has obviously come when the steps to be taken are large, and mistakes fatal. If the reform succeeds, not even Kadar will be able to match him. Until then, the Hungarian Premier is left with the dilemma faced by many before him: how to achieve a tolerable balance between the frustrations of the masses he swears by, and the increasingly more rapid belt-tightening that he is announcing.

9909

### Galgoczi Resigns in Protest Against Taxation of Writers

25000004b Budapest ELET ES IRODALOM  
in Hungarian 2 Oct 87 p 5

[Article by Erzsebet Galgoczi: “Against All Writers”]

[Text] There has never been a Parliament in Hungary without writers. As we look at the national assembly currently in place, however, we find that not a single writer has been elected to serve in it as deputy. That is not counting the alternate deputy who has filled the position of the district’s elected deputy after—regrettably—his seat had become vacant.

This lonely writer deputy wrote an article in the 25 September 1987 issue of ELET ES IRODALOM, entitled “The Adversities of a Proposed Amendment,” from which I would like to quote:

“...Back at the very outset of the debates, the leaders of the ministries of finance and education agreed to preserve the tax benefits which writers, painters, sculptors and performing artists had theretofore enjoyed.... The essence of the agreement was that earnings from royalties would not be fully taxable; up to 400,000 forints only 35 percent, and above that 60 percent of the royalties

earned would be subject to taxes. In the final, government approved version of the proposed law, the 35 percent limit applied not up to 400,000, but only to 200,000 forints...” “...I asked the deputy minister of finance, who was present, to explain what they meant by saying that the tightening had been ‘sociopolitically motivated.’ His reply was that when the proposed law had come up for debate at SZOT [National Council of Trade Unions] and KISZ conferences and at the meetings of county-level representative groups, people had ‘vehemently and indignantly protested’ against the tax relief granted to writers and artists. He reasserted, furthermore, that the tightening had not been inspired by budgetary considerations.”

The average wage of a writer is 90,000 forints, which means that the tightening will bring in 150 million forints for the state.

I was disappointed by the KISZ’s position. How can the leadership of an organization entrusted—among other things—with looking out for the welfare of masses of young people not realize that it is literature that has taken upon itself to remedy the shortcomings of our educational system, or at least to fill in the gaps that exist in the teaching of the Hungarian language and history.

As for the anti-writer sentiments of provincial representative groups, those I am thoroughly guilty of helping to fan. I come from a peasant family and lived in a village until I was 20 years old. For the next two decades I was a village reporter, and most of my literary works continue to be inspired by “provincial Hungary.” When they read these works—with or without reason—people from Somogy to Hajdu-Bihar [counties] are quick to recognize themselves, their neighbors and superiors. To repeat the eternal question: if it can be committed, why can it not be written down?

But the most painful disappointment—to me personally at least—has been the position taken by the SZOT. (And I am saying this not as a “taxpayer,” for along with my fellow writers and artists I have always paid progressive taxes. True, I also happen to feel that “without popular representation there can be no taxes,” but that would be the subject of a different article.) However, as I announced in this paper back then, after having been elected at the statutory meeting, I did agree to serve as president of the basic organization of the Writers’ Union. The article which I had written for that occasion was titled “For All Writers.” To demonstrate how much things have changed since then I have decided to call this one “Against All Writers.” We have come to face a situation which I do not wish to be a part of; hence I am resigning from my position as president of the Writers’ Union.

Trade unions—at least this is the way I learned it from the classics—are there to protect the interests of the workers. So when at the first chance it gets the SZOT speaks out against the original recommendation of two

competent ministries, one cannot help but wonder what there is to guarantee that in the future it would represent the interests of the writers. The fact is that there is no guarantee. On the contrary, in retrospect I am forced to conclude that the permission to form a writers' union had itself been granted with the assumption that—how should I put it—"credibility is a pliable matter."

Perhaps I am wrong.

I hope that I am wrong.

But until I am convinced by the facts that I am, I am not going risk my integrity as a writer and a human being by serving as an office-holder of a mass organization which—in light of the above information—projects an anti-art image.

Naturally, I will continue to remain a member of the basic organization of the Writers' Union in the sincere hope that it will effectively work toward improving the living and working conditions of our writers.

9379

## POLAND

### Czyrek on PZPR Reformist Wing Origins, Soviet Restructuring

28000010 Zagreb VJESNIK (PANORAMA SUBOTOM Supplement) in Serbo-Croatian 10 Oct 87 pp 4-5

[Interview with Jozef Czyrek, member of the Politburo of the Central Committee of the Polish United Workers Party, secretary of the PURP Central Committee, and chairman of the Commission for Foreign Policy of the Sejm, by Vjekoslav Koprivnjak, chairman of the VJESNIK Business Board, Stevo Maodus, editor-in-chief, and Milan Jaksic, columnist, who prepared the article, in Warsaw: "We Have Extended the Circle of Our Allies"; date not given]

[Excerpts] Following the dramatic events at the beginning of this decade, Polish society is making noticeable efforts to overcome the difficulties it finds itself in. A process of renewal has been initiated which is calling for democratization of all sociopolitical life; put simply, the desire is through democracy and especially through development of self-management to interest the broad masses of people in more effective forms of economic activity so that the Polish economy travels on the more reliable roads of greater optimalization and modernization. The program for reform in Poland especially emphasizes that further socialist development is its basic purpose.

We talked on these topics with Jozef Czyrek, member of the Politburo of the Central Committee of the Polish United Workers Party, secretary of the PURP Central Committee, and chairman of the Commission for Foreign Policy of the Sejm (Polish Parliament). VJESNIK

was represented by Vjekoslav Koprivnjak, chairman of its business board, Stevo Maodus, editor-in-chief, and Milan Jaksic, columnist, whom he received in the PURP headquarters in Warsaw. We are publishing here highlights of a conversation that lasted several hours.

"We began more intensive study of the Polish road to socialism on reform foundations in 1976," Czyrek said, "and then our efforts toward reform became especially evident at the Eighth PURP Congress in 1980. Unfortunately, this reform tendency, the desire for renewal, was not victorious at that congress. We take that fact as the principal reason for everything that happened in 1980 and 1981. What actually did happen then? The 'Solidarity' protest movement emerged, harboring within it the features of renewal, but also destructive anarcholiberal and radical colorings and nationalistic currents. And in the conflict between those two currents, the reformist and the destructive, it was unfortunately the latter which won out. And later, when the turn was taken toward reform efforts at the Ninth PURP Congress, 'Solidarity' not only ignored that program, it reacted with the well-known hunger strikes and complete negation of the reform line. This was the beginning of a tragedy, of a drama which resulted in large confrontations and extraordinary measures.

"Many people, both in the party and also in 'Solidarity,' interpreted this as a halt and interruption of the process of reform and democratization, as a return to the rule of the 'strong hand,' to the authoritarian style of rule, to conservatism and administrative forms of exercising power. I would like to say that in that entire situation our people were simply lost even though the party from the outset stated the purpose of the extraordinary measures and explained that its purpose in these measures was to protect the reform process which had begun. Today this might be called a kind of historical paradox in that the process of progressive changes is being protected by administrative means and measures, but at the time it was dictated by events. Back in February 1982 the party announced an economic reform and program for democratization by taking a number of political and legal steps. For example, the new Law on People's Councils and Regional Home Rule was adopted, worker self-management was introduced in the form of election of workers' councils in the economy, the election law was liberalized, the new law on the trade union considerably expanded its rights, and we also committed ourselves to democratic transformation of the party."

[Question] If we have understood you correctly, you mean to say that democratization in society does not advance without democratization in the leading party. What sort of initiatives have you undertaken?

[Answer] We have made changes in the program, in organization, and in the bylaws so as to provide the best soil for democratic mechanisms of party life to take root under our conditions. Changes in the bylaws, for instance, place the obligation upon the leadership to

consult with the base and to institute the secret ballot in election of personnel to responsible party posts. And then we have taken a different stance toward democratic centralism by shifting the emphasis to the first word in the phrase. We have thereby stated that it is only a weapon that is to serve democratization of relations within the PURP and not the ultimate goal. So now the question being posed here is how successful we have been in these endeavors? I would say that we have achieved great progress. There is, of course, room for discussion as to the quality of that advance, since it certainly does not measure up to either our needs or our objective capabilities. That is why the party continues to take the point of view that there is a need for a further deepening of the processes that have begun both in our own ranks and in the methods of action as well as in all the structures of society.

I think that these changes have been felt on the political plane. Even the West, which is not inclined toward us, feels that we have taken serious steps toward achieving democratic development. Of course, they use different criteria than we do. For instance, they pay the greatest attention to the fact that there are no political prisoners in Poland, that we have solved that problem through amnesty and in other ways. But aside from those facts, there are for us many more significant ones in our process of development. First of all, when it comes to the party, it can be confidently said that the party has succeeded to a considerably greater degree than before in integrating itself on the foundations of the new program, the program of socialist renewal.

[Question] Quite a bit was said at the 10th PURP Congress about the space that separates the party and the working masses. What are the origins of the working class component of the Polish United Workers Party?

[Answer] We are looking at this problem in a new way. And that means that we are freeing ourselves from the traditional conception of the dictatorship of the proletariat, the dictatorship of the proletariat through the state as the way to exercise power, but rather see the dictatorship of the proletariat as the dominant interest of the working class and the working people in the party program and in the functioning of the state. We have at the same time broadened the concept of allies of the working class. Traditionally, as is well known, we talked about the alliance between the workers and the peasants. However, at a special plenary meeting devoted to these matters the party took the position that under our conditions this concept should be broadened to an alliance among the working class, the peasantry, and the intelligentsia. The proworker orientation in our party program is above all evident in the democratization of internal relations within enterprises, recognition of the idea of worker self-management and thereby of the role of the working class in those structures. We know that our Yugoslav friends were the first to work out the concept of self-management in theory and practice;

however, concepts of self-management may also differ depending on the specific features of a society's development, its history, its perceptions, experiences, and so on.

I would also add to this that the president of the new trade union is a member of the Politburo and Central Committee of the PURP. He is a steelworker. This same man was also a member of "Solidarity," but he belonged to its constructive current which favored renewal. I think that this datum is the best indication of our intention to differentiate the people who belonged to "Solidarity."

[Question] To what extent is self-management present in the very foundation of the system? What characterizes the new role of the Sejm? How are the people's councils functioning?

[Answer] Today we are no longer committing ourselves only to the idea of worker democracy, but also to the content of socialist democracy as a whole. This approach of ours is much broader now, since we are talking about the systems approach which you in Yugoslavia committed yourselves to much earlier. That is why we are undertaking regional self-government. We have also had resistance to this orientation, arising out of objections that we will in this way weaken the functioning of social and state structures. The warp and the woof of that resistance has been a reminder of the kind of reconstruction of society which took place in Bulgaria when it tried to reorganize from top down. As for the Sejm, I would first recall that we have a division of powers among the Sejm, the State Council, the Council of Ministers, and so on. That division still does not mean that all the desired processes are taking place in the content of their work and in their functions. Here again the assessment is hardening to the effect that certain changes are necessary. That is in fact why we have said that we need to strengthen the role of the Sejm in our social system. We have achieved a great deal in that sense, so that today the Sejm in our society enjoys a high degree of confidence and authority. We would like to broaden its legislative functions, particularly relating them to the functions of oversight so that we might carry out the laws more effectively. That is why we undertook to create the Supreme Constitutional Court and the Constitutional Court. Even our chamber for the highest government control is now subordinate to the Sejm. We have inaugurated the institution of the public defender of civil rights. Once again along with the Sejm, then, as a body is accountable to its parliament.

We include in the system of self-management structures the cooperatives, the network of which is highly ramified in Poland. These are not merely agricultural cooperatives, but also, say, banking cooperatives, just as there are cooperatives of disabled persons, but I won't go on enumerating them. All of these cooperatives have been placed on the foundations of self-management. We are

now examining the possibility of creating another chamber in the Sejm. That would be the chamber for self-management. Something, that is, much like what you have. We intend to carry that out in constitutional amendments before 1991.

[Question] Since Poland has committed itself in its economic reform to greater independence of economic entities, at the same time giving preference to greater economic dispersion, stimulating creativity and initiative at the very base of its economic system, this question is inevitable: How do you intend to square those efforts with the character of your political system? What is the place of the state planning commission in those efforts?

[Answer] We are now preparing a reform of the government administration, including the central government. By the end of the year we will be making quite definite decisions in this connection. We intend to radically alter the central structures of the government, and that in proportion to the strengthening of self-management. But we are also aware of the fact that under those circumstances there might be a conflict between particular interests on the one hand and the interests of society at large and interests of the nation on the other. We are aware that a certain opposition between interests is inevitable, but we know that it would be bad for our country if partial interests should become dominant. Here there must be a certain degree of reconciliation. Of course, use can be made of the opposing interests in the fight against statist tendencies, but they might also go against the self-management trends. Sometimes this goes all the way to the ideological nature of the opposing interests. But the political wisdom of the party, the Sejm, and other institutions should protect the reconciliation of these interests and tendencies.

I cannot say that we already have ready-made solutions. Some of the solutions we will probably have as part of what is referred to as the second phase of the economic reform. Very precise work is now being done on them, and they should be drafted and adopted by the end of the year. I would also like to emphasize that we are doing all this in the context of augmented efforts toward stabilization, in the context of discrimination on the world market. Also, although Poland is a member of the International Monetary Fund and the World Bank, for a long time we have not been part of the system for using their instruments of cooperation. We have very complex and difficult economic conditions, so that these conditions are also having an effect on our thinking, on the discussion concerning certain decisions, and on the very scope and depth of the reform. If all this is taken into account, then truly anyone might ask why the Poles have been so long preparing certain of their decisions and solutions? However, these are processes and decisions which are being arrived at in a situation which has not altogether been normalized.

[Question] Quite a bit is said in the reform program about the market orientation of the Polish economy. How do you intend to carry out that radical change of direction in the manner of economic activity?

[Answer] The key question which arises for us here, and our economic specialists are also trying to answer it, goes approximately like this: Should we first establish market equilibrium and after that carry out the reform, or carry out the reform so that the market equilibrium occurs as the result of the reform? I personally am an adherent of the latter. Regardless of the imbalance on the market and inflation. It is certainly an interesting question how one gets to the generators of inflation? After all, we have a price formula based on costs, but we do not have effective instruments for the formation of costs. Neither internal nor external with respect to the world economy. It is another question, then, how to influence that price formula based on costs so that it is not a source of inflation and unstable prices on the market? The most effective possible formula might look like this: Link the net income of the enterprise to the efficiency of its business operation, but an efficiency that does not arise from the raising of prices, but from labor productivity, up-to-date technology, etc. We are trying to find such instruments, but I do not know if we will be successful. In any case, that is certainly the direction we want to go in. Your experience has also been important to us, since we are aware that you are bothered by similar problems. These, then, are the main problems of the second phase of the reform; how to do business independently, in the context of self-management and self-financing without at the same time producing generators of inflation?

[Question] What is the mutual relationship between the Polish reform and Soviet perestroika? How in general do you look upon the steps of reform being taken in the Soviet Union?

[Answer] Perestroika is certainly something that has aroused close attention throughout the world regardless of what motives there might be behind this great interest in restructuring in Soviet society. Meanwhile, how do we look at perestroika? What is happening in the Soviet Union is an expression of the domestic needs of that society and of that state, and it is normal that it should have repercussions for socialist forces in the world, and vice versa, of course. After all, I think that these relations are mutual, that they are not in one direction. I do not know how right I am in saying that, but that is my opinion. We look upon the Soviet perestroika as a historical achievement of the Soviet party and Soviet leadership, just as we feel that it is of great help to our efforts at socialist renewal. This can be said on the ideological, the political, or the international planes. But there are also direct consequences for us here which are, I would say, national in character. Simply because the Soviet Union is our largest trading partner. If the Soviet Union should develop dynamically, this will have a direct influence through direct cooperation on our own economy as well.

So, even today perestroika has led to an extensive invigoration of our relations, which is indicated most vividly by the declaration signed by Jaruzelski and Gorbachev to the effect that these relations have been



intensified, precisely at all levels of our mutual cooperation. In general, the Soviet perestroika has immense importance as an aid in the struggle for everything that is new and progressive and against everything that is old and conservative. It is instilling stimulative new elements into our mutual cooperation: It is strengthening our friendship and economic cooperation along with all other forms of mutual cooperation.

[Question] Recently, Poland and the Soviet Union reached agreement in their views about certain events in the past (usually referred to as "gray spots"). Does this mean that more light is going to be cast on these events?

[Answer] Certainly, and I also think that recently we have already had concrete proof. First, the Soviet historians, in spite of their previous opinions, have acknowledged that the war between Poland and Germany, the aggression of Hitler Germany against Poland, was not an imperialist war, but that that was a just war for Poland from the outset, that this was the beginning of World War II. They have recognized the heroism of Poles in that war and in those battles. And that means erasing one large blot, one that has had great historical importance for us and our mutual relations. The expression of opinions, the condemnation of Molotov's well-known statements which have now occurred, the recognition that they were inaccurate and unfair, have great moral and political importance to us. All of this suggests a quite definite way of resolving all the matters which we call "blotches."

In an article for *KOMMUNIST*, a publication of the CPSU, Jaruzelski, first secretary of our party, has also raised these issues in speaking about the resettlement of Polish population from the eastern regions. We now have a joint commission of Polish and Soviet historians working to prepare a joint assessment and joint approach to these events and facts. I would say these are quantitative or qualitative processes in the approach to history, in the approach to assessments of our relations, between our peoples and parties. I would say that this is one of the effects of perestroika. This has extremely great importance to us Poles.

07045

## ROMANIA

**Yugoslav Weekly Discusses Shifts in Government**  
28000006 Zagreb *DANAS* in Serbo-Croatian  
13 Oct 87 pp 52-53

[Article by Dragoslav Markovic, TANJUG correspondent in Bucharest: "Why Ministers Are Being Replaced: Romanian Law Is Also Very Strict Against Offenders in the Economy"]

[Text] A third of the members of the Romanian Government have been replaced in the last month. Except for the ministers of internal affairs and justice, all the others

were either deputy prime ministers or from various economic sectors. We should add to this the naming of a new state security chief, who is not formally a member of the cabinet. Semiofficially, these changes are explained as the usual "rotation of personnel" and "improvement on the run." Any, even the most remote, thought of some connection between the situation and the economy and the changes which have been made is categorically rejected.

Since 4 September, when the first autumn change in the government was announced, up to the most recent one announced on Sunday, 4 October, the ministers replaced have been those of light industry, heavy machinebuilding, the wood industry and building materials, electric power, material and technical supply, justice, internal affairs, and the electrical equipment industry, five vice premiers and the chairman of the State Committee for Prices. In the wave of autumn changes certain organizational changes have also been made: The previous ministries of chemical and petrochemical industry have been merged and a completely new man has been appointed to head the new department. What has been the Ministry of Mining, Geology, and Petroleum, after a year of life "together," has again been divided into two ministries and one central office—for geology—headed by the former head of the "triple" ministry.

Following the changes made in the first days of October, the Romanian Government received a substantial transfusion of new blood—of the 59 members of the cabinet formed in March 1985 following the parliamentary elections, 31 have remained in the government, headed by the "old" Premier Constantin Dascalescu.

## Specific Features of the Romanian System

The way the Romanian Government operates and functions remains hidden from the public—which does not receive reports on meetings, and indeed many problems which would appear to be in the jurisdiction of the Council of Ministers are regulated in Romania by presidential decrees approved by the Grand National Assembly at its next meeting. What, then, is actually the role of the government? Judging by the speeches of Romanian President Ceausescu, especially the concluding address in the plenum of the Romanian CP Central Committee last Monday, the government has a considerably larger role than the one which it seems at first to have. How otherwise can we interpret such great dissatisfaction on the part of the head of the Romanian party and government with all the sectors of the economy we have enumerated and the persons responsible for them—from the extractive industry to exports?

In the specific Romanian political system, which has adapted to historical and social conditions, the leading power in society—the Romanian Communist Party—is truly the vital center of all events. The customary practice, adopted back when Ceausescu came to the head of

the Romanian Communists in March 1965, is for occasional reports on the situation in various fields to be made personally to the head of the state and party by the relevant ministers and indeed even by the prime minister. And, of course, to the Politburo as well. Another integral part of the governmental activities of the head of the party and state are the frequent and brief working visits to districts all over the country and their work collectives. The press has written that the Romanian president has in his office, which is located in the building of the Romanian CP Central Committee on one of the most beautiful old squares in Bucharest, an entire system of telecommunication equipment which makes it possible every morning, while sitting at his desk, to hold a conference with individual leaders or indeed even with all the leaders in the country's 40 districts—all at the same time.

Personal responsibility of the country's leaders has in Romania been raised to the highest possible level. That is at least how it appears to an observer of conditions here who has been following and recording at least superficially the changes in the government or in the bodies of leadership of the administrative units—the districts. Romanian law is very strict toward offenders. In previous years there were cases when appropriation of socialist state property was punished by death before the firing squad. Following the recent examination of the situation in the electric power industry, which resulted in removal of Avram, the minister for that department, and one of the nine deputy prime ministers (Petrescu), the political Executive Committee of the Romanian CP Central Committee proposed both their expulsion from the Central Committee and also criminal prosecution of those responsible in power plants and the relevant government institutions.

#### The Ministries Whose "Names Have Been Called"

Judging by reports from the meeting of the Politburo of the Romanian CP Central Committee at which Avram and Petrescu were dismissed and also by the plenum of the Central Committee which followed thereupon the attempt of the two "whose names were called" to find justification for the situation in the electric power industry and to "pass the buck" to certain others in the chain of production had precisely the opposite effect. In the course of 2 days, as reported by the press, from the meeting of the Politburo to the plenum of the Central Committee, their behavior changed from an attempt to point out the causes of that situation to well-behaved self-criticism and stoic acceptance of the "punishment." As a matter of fact, the removal of these comrades from the electric power sector was in fact accompanied by an explanation of the reasons—which is a very rare phenomenon.

In the September "wave" of changes two ministers left their posts "for health reasons": heavy machine-building (Moraru) and building materials (Winter). Following

that, in a plenum of the Romanian CP Central Committee last Monday, which will be remembered for the unusually exhaustive analysis of the situation in the economy which was presented at it, the Romanian president mentioned that the building materials industry and "certain branches of machine-building" were among the areas in which mistakes had been made.

More or less all of the ministries whose heads were replaced in September were included in the critical assessment which Romanian President Ceausescu delivered on 5 October, which we have already mentioned. Nevertheless, the greatest interest was aroused by the last in the lengthy series of changes. If the changes in the "economic" departments could somehow be explained, the removal of the minister of internal affairs and the minister of the economy remained completely "open" questions.... The Romanian press, which for a long time now has been nurturing a specific method of "conversation" with its readers, has recently been publishing more frequently and more abundantly than before letters from individuals reporting cases of assaults on socialist property, various illegal acts, case histories from the operation of the "black market," and other deviant phenomena alien to Romanian socialist society. Indeed even President Ceausescu himself expressed dissatisfaction at one point in the plenum with the way socialist property is being managed.

#### Assessment of Economic Trends

The sole source for a better understanding of the present moment in the Romanian economy, of the entire country, and perhaps also of the causes of the reconstruction of the government, is for the present the very lengthy concluding address delivered by Ceausescu as general secretary of the Romanian CP at the last plenum of the Central Committee. Observers in Bucharest have come to expect that all the speeches of the head of state will be very critical, containing some more or less general passages, but sometimes very precise, pointing to quite definite things. This last one has been one of the most concrete. It was so abundantly full of data, assessments, and mentions of various sectors of the economy and finance, that it is very difficult to outline it in offering a brief picture.

The plenary meeting pointed out the full seriousness of the situation in the economy and the inappropriate functioning of many vital sectors and adopted measures to make up the lag by the end of the year. The Romanian president issued a brief assessment on that occasion: "It follows from the debate and analyses made in the political Executive Committee and departmental councils that industrial output or the first 9 months of this year, although it recorded a growth of a few percentage points over the same period of last year, has been considerably below the planning forecasts."

In his assessment the head of the Romanian party and state took up economic developments from the very beginning. He criticized the excessively large amount of money in circulation, saying that "given the working capital the Romanian economy possesses at the moment, it should have achieved an output several times larger than what it has." He added that it is "unacceptable for industry to use working capital on a monthly basis three times greater than the value of monthly output." And this led to his observation that the money-commodity-money cycle ought to take place several times faster.... Excessive stocks of raw materials, which moreover were not of the right mix and which at the moment are "worth" about 520 billion lei—70 billion more than the standard allowance—were also mentioned in the critical analysis. And then work in process, valued at about 56 billion lei, and finished products in warehouses, valued at about 82 billion lei (at the exchange rate of the National Bank of Romania \$1 "is worth" 9 lei), while at the same time the value of monthly output was 120 billion lei. There was particular criticism of enterprises which instead of selling their products, "call upon the state for additional resources."

There was also criticism of wastefulness in the use of raw materials and energy and the "unjustified putting of new materials into production." "Under the excuse of improving the characteristics of products," President Ceausescu said, "new materials have been introduced which have brought nothing but higher prices, and indeed the use value of the products has deteriorated." Among others he put the blame for that kind of situation on the finance ministry, the State Planning Committee, and supply ministry, which directly "stimulated the growth of consumption in industry." As he stated it, the consumption of raw materials and energy, instead of being smaller after the measures adopted in many sectors, is larger than it was last year.

#### Exports Criticized Once Again

At the plenum we have mentioned, but also in the meeting of the Politburo, there was also criticism of the unsatisfactory and unacceptable situation with investments—specifically the tardy activation of factories and energy facilities. It was stated, for example, that Romania possesses electric power plants with a total installed capacity of 22,000 MW, but that only with the measures adopted in recent days, which incidentally have not yet been announced, will it be possible to "activate" 10,000 MW. To blame for this situation are the tardy delivery of the necessary equipment, materials, and spare parts for repairs, the slowness of the construction industry, and the shortage of building materials. For similar reasons over the first 9 months of this year—as stated by the head of the Romanian party and state—250 factories in the chemical industry and metallurgy did not attain their planned output since they did not operate at full capacity.

Along with all the assessments of the situation referred to above, the general secretary of the Romanian CP especially stressed that the products of Romanian industry

are excessively expensive, that in many sectors there are unnecessary job positions while at the same time a shortage of manpower is felt in some, that the many lags in production are the consequence of an inappropriate system of education and personnel development. As he put it, "significant lapses have been recorded in mining, petroleum production, metallurgy, the chemical industry, and certain sectors of machinebuilding," to which we should add the previously pronounced assessments of the electric power industry. Nor were labor productivity, whose growth "is lagging considerably behind what was planned," and economic efficiency able to get "passing marks."

Nor was praise given to exports, which in Romania were set up a few years ago "as the first task and party duty of every workingman." President Ceausescu expressed his dissatisfaction with the fact that Romania is "exporting only 25 percent of the value of its industrial output, while at the same time some countries are exporting as much as 70 or even more percent." If we are to gain a better understanding of this assessment, we need to say that according to official statistics Romania has a very high-quality industrial output which in many sectors can be measured against the best in the world. Such products represent about 70 percent, and the plans call for 95 percent of Romania's industrial products to be at the world level of quality over the next few years.

Every year Romania has very ambitious and high growth rate targets in all sectors in order to achieve the general strategic objective, so goes the official explanation, of the country joining the moderately developed states of the world after 1990.

Following the numerous severe expressions of criticism the head of the Romanian party and state concluded at the plenum that "the situation and shortcomings are not the fault of the objectives framed, but of the grave mistakes of leadership in the economy...."

07045

#### YUGOSLAVIA

**Pavlovic's Career, Reasons for Dismissal Analyzed**  
*28000008 Zagreb DANAS in Serbo-Croatian*  
29 Sep 87 p 12-13

[Article by Ratko Rodic: "Man of Another Time"]

[Text] Some people have to grovel in order to reach a high position; others, however, rise to the top only when they fall! Such is the case with Dragisa Pavlovic (1943), the leader of the 4-million-strong Belgrade party organization. While he was in power, until four days ago, he was only beginning to demonstrate his own emancipation from the role of the "perpetual subordinate" of his "guru," Ivan Stambolic. It is a tragedy, in a way, that the peak of his career—the time when he had become the metaphorical banner of the faction that views itself as a

"democratic alternative"—should be at the same time the final act of that career as well. All of this happened at the same meeting, during the discussion of Pavlovic's removal from the leadership of the Serbian communists.

In order for us to understand why this Buca Pavlovic has also been practically replaced in the position of president of the City Committee of the Belgrade LC (Bora Pavlovic, the first, left during a time of liberalism, and so we are justified in assuming that no one with that name will be elected to that position again), we must first of all agree on something that will be axiomatic to future analysts of this period. Until recently it was expected that at the end of this decade Serbs would be profoundly traumatized and frustrated by the long-standing "cosmetic nature" of the republic's unity and by the consequences of the unresolved Kosovo syndrome. Nevertheless, we are justified in assuming that Serbia's obsession with the past and the trends in Serbia are not always a product of profound mutations in national consciousness or of the establishment of a new national program, but are instead primarily due to the strong integrating effect of the demand for a radical and rapid "cure." Such demands, however, do not recognize nuances, because they consider them a "deviation" from the basic direction; they do not recognize dialogue, because they call it "empty philosophizing," and they reject a "step-by-step" policy, considering it a sign of weakness and a concession to Albanian separatism. In such a situation, in which one must choose between "empty democracy" and the general call for "radical effectiveness," did a man like Dragisa Pavlovic really have a chance? Opinions on this are divided, but informed sources claim that an examination of the scenario of his fall will show a pattern by which Serbia will have to live during the years to come. For this very reason, his departure is a central event, even in a month when Yugoslavia's political life is more and more reminiscent of mental flashbulbs.

Pavlovic's problems begin with the fact that he is a person whose perfection repels people. He graduated from two schools—technical and economic. His school friends say that he would have graduated from a third, except that only two existed in his native Kragujevac. In order to make it up to himself, he treated himself to a doctorate in political sciences in Belgrade. He owes his controlled baritone and his sense of dramatic pauses to several years in a school theatrical club, while he gained his thoroughness and what they call his supernatural competence genetically, from his mother, a well-known teacher in Kragujevac.

People who do not know him well claim that he is cold and a little supercilious, and that he does not depart from his constant superior attitude. On the other hand, people who are close to him state that he is extremely cordial, hospitable, well informed, and educated, but also tiresome in his Jesuitical rejection of drink and his rude manner of leaving the company in a tavern as soon as the more relaxed conversations begin. Not even the traditionally merciless Belgrade gossip has linked him with

even a single singer, model, or actress, who in these parts constitute an inseparable part of political folklore and an ornament of social power. His constitution makes him a "man in between": specifically, the politicians do not exactly like his ability to write his own speeches, books, articles, or the polemical pieces he published in *POLITIKA* (under the pseudonym B. V. Petrovic—hence the rumors that he authored the pamphlets about Gojko Nikolic and Pavle Savic) by himself, without a team of experts. At the same time, writers, professors, and journalists see him as a colleague who has sold his soul to politics.

The most significant characteristic, however, which marks the beginning and end of his career, is the public stigma of being one of the "young Turks" who helped Ivan Stambolic to carry out a change of generations in Serbian politics. Until recently, with some minor differences, Slobodan Milosevic was also one of them. Since their first meeting, Stambolic has been a sort of "guiding star for Pavlovic," who is said to have been satisfied with his role as "first advisor," friend, and the ideologue of Stambolic's team. When Stambolic became the president of the Belgrade Economic Chamber, Pavlovic was appointed secretary. Stambolic moved up to premier of the Serbian government, and Pavlovic became his chief of staff, and later, in the same government, deputy chairman of the Committee on Foreign Cooperation. Later on, Pavlovic became the president of the same Chamber in which he had previously been the secretary, while Stambolic held the post of president of the City Committee of the Belgrade LC; later Stambolic left to become President of the Serbian Presidency, Slobodan Milosevic left his position as head of the Belgrade communists to become president of the Central Committee of the Serbian LC, and Dragisa Pavlovic became president of the City Committee of the Belgrade LC. There were a considerable number of conversations and comments like, "Can a perpetual subordinate be a leader?"

At the beginning of his career, Slobodan Milosevic had a similar reputation as a man who was created by Ivica Stambolic and Milosevic worked for the firm Tehnogas. Their subsequent joint rise elicited numerous comments; for instance, the late Branko Pesic is credited with saying, "It is better to spend two years at Tehnogas than four years with the Partisans." Today a new gem of popular wit is being passed around Belgrade, influenced by the open conflict between Stambolic and Milosevic, with unforeseeable consequences for the future of the republic—"It is not known what the Germans used to poison the Jews, but we Serbs will be asphyxiated by Tehnogas."

The case of Pavlovic, however, has also shown that no one is immune to the poison of publicity. At the beginning of last year, when he published the book "Questioning the Answers" (in which he rapidly analyzed Mijalko Todorovic, Svetozar Vukmanovic, a group of Belgrade professors, Dobrica Cosic, etc.), there was not one Belgrade newspaper that did not serialize this journalistic

work or publish lengthy excerpts from it. His polemical style—"against a position and not against people"—undoubtedly represented immeasurable civilizing progress for Yugoslav politicians with literary ambitions, but the final effect was diminished by the opposition stirred up by unsympathetic mass media. That book contains the first appearance of his concept of the strategic approach to the Kosovo problem, but also the question, "Can people in Belgrade always recognize nationalism, and can they always use the appropriate therapy?"

Under his influence, Belgrade did more in the area of cultural, economic, and political cooperation with Kosovo in 2 years than it had in the past 20 years. Nevertheless, in spite of his positions, Pavlovic agreed to the construction of an ethnically pure factory in the Serbian village of Batuse, and even attended its opening, even though that ceremony was boycotted by provincial leaders. In his position as head of the Belgrade communists, Pavlovic quickly learned why there had been so much "hand-to-hand" fighting during the formation of the presidencies of the city party and the republic party. Obviously, places had to be found for the "delegates" of both leaders, who were publicly identified at the meeting four days ago. The places were consequently divided in accordance with the principle "one of Milosevic's men, but also one of Stambolic's." Thus, within this system, through the organization of "Bolsheviks" and "Mensheviks," every action turns into laborious negotiations over mutual concessions. At the same time, each "mini-party" formed its own "media information system." According to the unofficial division, NIN [NEDELJNE INFORMATIVNE NOVINE] fell to Stambolic, while POLITIKA and EKSPRES POLITIKA were kept by Milosevic's team. The collapse of the friendship between Stambolic and Milosevic convinced Pavlovic of how vulnerable his own position was, because the Serbian Central Committee also invested most of its efforts in "covering" Belgrade, thus overlapping with the territory and functions of the City Committee. Not even the public remained immune to these divisions; it equated Milosevic's faction with the slogan "Unity and unanimity in these difficult times," while as time passed, Stambolic's branch increasingly assumed the appearance of a stereotypical faction supporting "dialogue and democracy." This only shows that in the face of the opposing radicalism, Stambolic's disagreements with intellectuals here were quickly forgotten, as was his flippant dismissal of a group of brilliant young politicians and intellectuals.

Just as it is difficult to believe that Pavlovic's talk with journalists was motivated by plans for a coup against the Central Committee, it is also difficult to believe his subsequent explanations that the polemical portions of the statement he gave to the journalists did not refer to the "applause given to Milosevic" for his "facile promises" of rapidly straightening out the situation in Kosovo. If all of this is true, however, then Pavlovic is a victim of bad timing. Specifically, he spoke out openly at a time when the "law of large numbers," of mass

choruses, is becoming an increasingly more significant political factor, and when the traditional Serbian division of political power among several mutually balanced centers is being superseded and one center is being established as the "patriarch of the nation."

Pavlovic thus tried to create public opinion, in a situation in which the most advisable thing, from the standpoint of short-term goals, would have been to follow it. On the other hand, Stambolic's supporters claim that the ones who rose up against Pavlovic were all those who "speak with rustic accents, followed by those who do not distinguish grammatical cases [a probable reference to the dialects of southeastern Serbia], and finally, all those who have trouble reading a text that someone else has written for them."

The result of the vote showed that in borderline situations, supporters of pluralism seem like a dangerous option to the average man in the street. Naturally, peoples are undoubtedly like individuals: they prefer their diseases to their "physicians." Nevertheless, the version "one Serbia, one nation"—which is justified—but also "one opinion, one leader" threatens to institute a pattern of nationally standard models in which all those who are distinct and different come under the heading of taking away "Serbian national honor." In such an atmosphere, every attempted dialogue turns into an ideological conflict, and so motives for speaking in public and stating certain positions are questioned. Such conditions lead to the death of dialogue.

Regardless of whether he left because of obstruction of the decisions of the Central Committee, because he advocated a different means of implementing these decisions, or because of a classic power struggle, it will be remembered that Pavlovic left because he exposed a foul part of our national consciousness, while others took care to say everything good about it. Since his departure is a metaphor for the defeat of one school of thought among Serbian communists, which is undoubtedly definitely in the minority, it is an open question whether there are any future prospects or possibilities for a dialogue in Serbia; or, one might say, whether this escalation is the enigmatic process by which peace is reached through the exacerbation of the conflict.

9909

#### **Bilandzic Assesses Pozderac Resignation, Country's Situation**

28000009 Zagreb DANAS in Serbo-Croatian  
22 Sep 87 pp 12-15

[Interview with Dr Dusan Bilandzic, by Mirko Galic: "The Drama of Our Lagging Behind"; date and place not given]

[Text] DANAS: Professor, you have studied Yugoslavia's postwar political history. Where would you "place" the resignation of Hamdija Pozderac in that context: in what respect does it fit into past experience, and how does it differ from it? What is new about it and what is old and seen already?

Bilandzic: There have been ongoing conflicts taking place in the circle of leading figures at the level of Yugoslavia and at the level of the republics over, I would say, that entire development. It would be a mistake for anyone to think that the leadership of the CPY or LCY had lengthy periods of monolithism, that the leaderships were monolithic. There were conflicts, conflicts over conception, all the time, it is just that they broke to the surface only when accounts were settled in the open. As a rule they were covered up; there was no open and unrestricted talk about them except when things "broke." That is, there was a fear of factional fighting, a fear that the conflicts would threaten the system and the conception. The Yugoslav political leadership admitted that it was divided for the first time in the early sixties; that state of division has persisted up to this very day.

DANAS: Could you interpret the resignation of the vice president of Yugoslavia as an expression of division in the leadership?

Bilandzic: No, this case cannot be placed in that framework either with respect to the way it occurred or with respect to the method it was resolved. Nor even with respect to content. We are not dealing here with a lengthy factional or conceptual conflict within the political elite. In the case of people being removed in 1948, in the case of Djilas' removal in 1953, in the case of the Rankovic group, and in the case of the 1971/72 political crisis, a political, ideological, and conceptual conflict was always involved. There is none in this case. Which is not to say that that aspect of conceptual conflict is not being brought in from outside, since we do have on stage a conflict between political blocs over the future development of society, nor that it will not be a card that is played in political struggles within Yugoslavia. That is self-evident.

DANAS: In the present political situation who will be holding better cards because of Hamdija Pozderac's departure?

Bilandzic: I have no arguments whatsoever from day-to-day political life so that I might at this point say with confidence who will gain from this case. But on the basis of a study of Yugoslavia's political development over several decades this question can be posed: Can the case of Pozderac—and still more the case of Agrokomerc—shake up the political conception of Bosnia and Hercegovina which began in that century approximately a quarter of a century ago? From the Liberation up to the beginning of the sixties Bosnia-Hercegovina seemed not to want the role of a republic, much less a state. To illustrate, I might tell you that at the time when the fund for the underdeveloped went into operation Bosnia-Hercegovina returned an immense amount of money to the Federation at the end of the budget year, saying that federal authorities could put that money to better use than they could. Afterward a policy of relying on their own forces developed, a policy of making Bosnia-Hercegovina independent as a political community. After that

it began to play the role of a member of the Federation in the literal sense of the word. Tito, Kardelj, and Bakaric urged the course of the greatest possible independence of Bosnia-Hercegovina vis-a-vis those centers—the reference was to Belgrade and Zagreb—which had been displaying certain paternalistic ambitions toward Bosnia-Hercegovina.

DANAS: That course of setting up Bosnia-Hercegovina as a republic and a republic state was related to another process taking place on the soil of Bosnia-Hercegovina and on the soil of Yugoslavia, and that was the definitive recognition of Muslims as an ethnic group. To what extent were those two processes interdependent?

Bilandzic: They were linked to one another, they were interdependent, and they gave it still greater force. I believe that it was very important to the development of Bosnia-Hercegovina that the previous vacillating and indefinite attitude toward the Muslims was definitively abandoned in the early sixties. Since the Muslims were in relative terms the largest ethnic group in Bosnia-Hercegovina, this speeded up the entire process of that republic's political establishment, furthering its development and growing strength. Along the course of strengthening the Federation, the Bosnia-Hercegovina component also became stronger. By contrast with the case when Djuro Pucar returned the money to the Federation, the new leadership resolutely has been defending its interests before federal authorities and in the face of the other republics. That course can be personally associated with Hasan Brkic, Cvijetin Mijatovic, Branko Mikulic, and to Hamdija Pozderac. Along the line of that course some people from the very top of Bosnia-Hercegovina have in recent years felt that that republic should leave the club of the underdeveloped in order to gain still greater legitimacy in framing Yugoslav policy.

DANAS: There was also certain criticism of Bosnia-Hercegovina, alleging that it was attempting to play a vanguard role, that in the context of centrifugal processes it wanted to take over the role of a binder. Could this situation have an impact toward changing its role in Yugoslavia?

Bilandzic: Bosnia-Hercegovina's geopolitical position in Yugoslavia would seem to impose an orientation like that. It represents the heart of Yugoslavia, and that probably does have an influence on how its place in Yugoslavia is perceived. I have no evidence that such a tendency has actually existed in that republic, but I know that some have criticized that concept. Probably we can take even that criticism as a kind of argument. In addition, it is in the nature of our political society that political structures have monopoly over management of the economy, culture, and all domains of the life of society. All political communities, from the commune, the region, and the republic to the Federation, operate like an independent political entity. Bosnia-Hercegovina was also independent on the Yugoslav political scene.

DANAS: The talk is mainly about the republic level of that case. But here was a federal official who was directing the operation of the constitutional amendments, which is extremely important to the Federation. His resignation was not announced in the Federation, but in a republic party body.

Bilandzic: In the time of the politburo system of administering Yugoslavia personnel changes of this kind were not made in the republics, nor did the republics have any significant influence in such matters. The republic central committees, their governments, were consulted, but the decision was made by the federal center. Since the sixties the situation has been changing, the republics and provinces have been designating and sending their own representatives to federal forums. Perhaps the constitution is not altogether explicit, but this is absolutely what political practice has been. So long as Tito was alive, he had a decisive influence on selection of leaders both of Yugoslavia and of the republics. He had a decisive influence, although he himself did not make all the decisions. I think that what has happened in Bosnia-Herzegovina fits in with the political practice over the last 20 years or so.

DANAS: It has happened at a very sensitive and specific moment.

Bilandzic: I agree, the incident occurred at a moment of precipitous and rapid decline of the legitimacy of the political leaderships, accompanied by a breakthrough for democracy in society. But democratization has its other side, and I would almost say that this is the kind of witch hunt which has developed in our press (which I think has grown quite yellow) as well as in forums. In the context of the economic, political, and moral crisis in Yugoslavia, at a time when Yugoslavia is proving to be really sick, things get out of control on the political scene, the voice from the coffeehouse and the streets begins to be heard, and a multitude of lobbyist groups emerge. These are pressures which can slow down or even threaten the processes of democracy, which are inevitable if we are to get out of the crisis.

DANAS: You say that there is a crisis of legitimacy for the leaderships. Legitimacy or authority? And to what extent does the decline of authority bring about a certain state of anarchy in political activity?

Bilandzic: For 10 years or more we have had a tendency toward dysfunctionality of many institutions. Institutions have not been performing the functions they were given, and indeed even forums of the League of Communists have been dysfunctional in this sense. Yugoslavia had a lengthy period of economic boom, when it was the second, third, fourth, or fifth in terms of the growth rate. At the end of the sixties a slump began, and there was a series of failures. Projects for social change came to naught, the leaderships were taken by surprise by various social phenomena: they failed to foresee them, or they denied them. They were caught by the energy crisis, they

were caught by the new technological revolution, they were caught by changes in the way the world system of credit and monetary relations functioned. Instead of foreseeing long-range development as a vanguard, our leadership did not show itself to be up to the time in which it lived. Defeat after defeat resulted in a loss of authority, and the loss of the authority of forums dissolved away the legitimacy of power. In part because of the quality and composition of people in the leaderships, in part because of the relations in them, in part because they were more obsessed with how government was functioning than with how to carry out social change, bad assessments were made, and bad assessments produce bad moves. Today that is a boomerang which is coming back as a blow to the legitimacy of the entire social system.

DANAS: The affair with the promissory notes which were not covered surprised not only the political leadership, but also many institutions which should have been aware of it earlier. Is there any chance of restoring the authority and legitimacy of power and the system on the basis of radical and consistent criticism?

Bilandzic: I am not an economic expert, but I know that promissory notes are a constructive instrument in the arsenal of a market economy. If they are legitimate, fine, they can promote the operation of the market. However, in our country promissory notes are being introduced as an instrument of a market economy into a mechanism which is predominantly that of state socialism. I would go back to the discussions on Brioni in 1970 in the presence of Kardelj when the platform was adopted for making the transition to a market economic mechanism which would have all the instruments possessed by any economy in western Europe. That is, the enterprise in Yugoslavia would have to function like an enterprise in Italy, only without private owners, without the bourgeoisie. Following the 1971 political crisis the entire mechanism for administration of the economy took a slide in the direction of state socialism, and local, regional, and republic structures became continuously stronger. Since no one wants to be the provinces, since everyone wants to develop at any cost, promissory notes without coverage are a perversion demonstrating all the perversity, contradictoriness, and inconsistency of the system.

DANAS: In recent years we have had a big coalition between the economic leadership and the political leadership, a domination of politics in the economy and over the economy. Some people even interpret the resignation of Hamdija Pozderac as a sign that political blessing has been given to major mistakes in the economy.

Bilandzic: I will not be saying anything new when I say that the groups of political leaders and economic leaders have merged into a single monolithic group blowing the same horn. How did that come about? Following the economic reform there was a tendency for professional managers to become completely independent of political structures. The professional-management structures



actually did begin to grow stronger, and as they did, they displayed an aspiration to become stronger than the political bureaucracy. But since the political bureaucracy is clever even if it is provincial, it did not consent to take a subordinate position, and since it could not eliminate the professional managers, it turned them into its servants. The young technostucture lost the battle against the political leadership, which had legitimacy from the time of the revolution, so it quickly capitulated and consented to a coalition. The professional managers lost their independence, but they gained political legitimacy and power, since they became members of political forums and thereby reinforced their social position both with respect to society at large and within their own milieu. Certain enterprise directors were so strong that one of them, when his advisers said he should back off from an idea since the Central Committee was against it, answered: "Enough of that, tell me how much the Central Committee costs, so we'll buy it and then get on with it."

DANAS: In saying that, you are also explaining the "classics" of our economic and political life: Obrovac, Feni, Smederevo....

Bilandzic: All of that is the joint work of the technostuctures and political structures. Not of the forums, since those decisions were not made by the forums, but by the top people in those forums. They were also sponsored by a portion of the so-called scientists, since they signed everything that was put in front of them.

DANAS: So far that coalition has been rather stable, no one has even answered for the mistakes. But now it is cracking, the bill is being presented both in the ranks of business executives and also in the ranks of politicians.

Bilandzic: I have the impression that the top people in politics are no longer willing to grant or refuse consent for moves in the economy, for investment projects, for mergers, and so on. They are attempting to stand aloof, but we are still a long way from behavior that would fit with the programmatic orientation of the League of Communists. To be facetious, I might as a citizen file suit against the party before the Constitutional Court for making decisions on matters of electronics, water management, etc. Neither in its own program nor under the constitution can it manage production. It can tell its members what to do, which ideas to defend and propagate, but not what specific decision to make (what is worst, it does this through the government and the measures of the government). If we want consistent self-management, the collective must share the fate of its goods and its work. An Italian industrialist cannot come under Goria or before under Craxi and say: After 10 years of successful business I have been incurring losses, please cover my costs from the government budget. The prime minister would call in a psychiatrist. For Craxi and Goria the factory is the private sphere; our self-manager must take that same position on this count. In our country, however, the system is not developed

enough to have its own internal mechanism regulating the capability for reproduction. As far as I know, the federal political elite has never thoroughly worked out that project, since there was a conflict of interests in it. And as soon as one interest pops up on one side and another on the other side, a consistent blueprint for development ceases to be possible.

DANAS: You have said that the first really serious conflict in the political leadership broke out in the early sixties over the question of the country's future development, self-management, democracy, and so on. You have researched that period, over which there is now a tug-of-war in the press, with all the juicy parts; what can be said?

Bilandzic: I did research it, but for more than 20 years I myself participated directly in political discussions as director of the center for social research and as a trade union and party leader. It is no secret that the conflict broke out in 1962, Tito himself acknowledged it at the Brioni Plenum. What was the basis for that conflict? A portion of the leadership, perhaps even the larger portion, felt that self-management had already been brought about, that the system was producing perfect results and should not be changed; that portion was against the economic and political reform, against democratization. The other portion said that Yugoslavia had a system that was mostly that of state socialism, that the country was being managed by a group of top people, that the government was not the government if it had to go to the party elite for directives, that the assembly was not an assembly if it did the same thing, that the republics were not republics. Such a system had no future, it had to be radically changed. There was thus a division into two blocs which could be defined even in geographic terms. The conflict was inevitable.

DANAS: Was it resolved at the Brioni Plenum on behalf of that alternative which leaned more toward self-management and democracy?

Bilandzic: The changes following the Brioni Plenum went in four directions: carrying out the economic reform, democratization within the League of Communists, removal of personnel and reform of the Federation.

DANAS: We have had political descriptions and assessments of the Brioni Plenum. However, we are witnesses that those assessments have been called into question either directly or indirectly. Is there any point or need to reassess the Brioni Plenum and its principal figures?

Bilandzic: By the nature of things political events and decisions including important ones and sometimes even fateful ones, take on a different coloring as time passes, a different interpretation than they had on the spot. Everything that has happened in Yugoslavia is now being reassessed, it will be difficult to reinterpret certain events, but some certainly will be. As far as the Brioni



Plenum goes, the main line of differentiation was over who favored the kind of democratic development defined in the LCY Program at the sixth congress. I will not say that the group personified by Rankovic favored some kind of Stalinism and state socialism of the Russian type. But Rankovic did not take a position on the economic reform, not even in its favor, until Tito called upon him to do so in February 1966. He did take a position at that time, and never again. And a portion of the forces both in the League of Communists and in the leadership were against the reform. There was also a conflict over the question of the republics. In his professorial style Kardelj said at the time: "We are republics. If we detach ourselves from the nationalities in whose name we speak, what are we then, what kind of political force do we represent? We cannot rise up above the nationalities and say that everything that is set up in the name of the interests of some particular nationality is nationalism." There were also conceptual differences and conflicts over this, since a part of the leadership felt that they, the federal elite, had a monopoly on running Yugoslavia. An essential conflict broke out over this and the kinds of relations and the kinds of people were in the end marginal. It is quite certain that some of the people in the LC had never escaped the Comintern conception of the party. But I do not accept the assessments to the effect that the LC was infected with the Comintern syndrome in its pure form. People forget that this party was in conflict with the Comintern both in 1948 and before that.

DANAS: The Brioni Plenum, then, was motivated by political reasons rather than those of personnel?

Bilandzic: Research should be done into those reasons that had to do with personnel. I am convinced that if they existed, they were secondary. I have been attacked for telling stories from behind the scenes, but I will still say that the opinion existed that it was logical for Rankovic, as vice president of the Republic, to become the president one day. But, I emphasize, the main conflict was over whether Yugoslavia would develop self-management socialism or state socialism, over whether there would be a federation with republics, ethnic minorities, and nationalities, or whether it would function as a unitary state? That is the essence. All the rest is show.

DANAS: At the time when Rankovic was removed from the position of vice president of the Republic his departure had the trapping of an emergency....

Bilandzic: Absolutely!

DANAS: ...20 years later the vice president of the Republic submits his resignation, and this is something normal.

Bilandzic: It is difficult to compare what Yugoslavia was then and what it is now. The differences are incomparable. Aleksandar Rankovic was a charismatic figure, one

of the leaders of the revolution. He fell, but he fell at a moment of conflict between two blocs of opinion, when the ideological and offensive and general offensive against the inherited system was beginning, when the reorganization of the system was beginning, including, as some people at the top said at the time, the formation of a "shadow government." The departure of a man who has personalized power, one of the key people of the party, is one thing, and the departure of a leader who does not have that kind of charisma nor anything like his power, is something else. Rankovic's removal was a blow to the entire system of politburo management at that time. The situation with Hamdija Pozderac is different. The center of power is no longer in the Federation, but in the republics, and Hamdija Pozderac, although he comes from a prestigious Partizan family and was himself a participant in the revolution, did not mean what Rankovic meant to the system.

DANAS: The institution of removal has been frequently used in our country: even before Rankovic in the Djilas case, and later in the case of resolving the crisis in Croatia, Serbia, Slovenia, and Macedonia. As for resignations, the classic cases of resignations because of disagreement have been those of Koca Popovic and Dr Nikola Miljanic, while Hamdija Pozderac is something special; he issued his resignation with the implication of his being accountable for the mistakes at Agrokomerc.

Bilandzic: I agree with your description. I would add only this: The resignation of Hamdija Pozderac has definite similarities with the resignations of politicians in the societies with bourgeois democracy who withdraw when they feel that they are responsible for something or when they think that things have not gone *lege artis*. In our case this resignation reveals a fact which has stood from the war up to the present time—that the politicians have been the bosses of their regions. We know, for example, that Stevo Krajacic answered for one part of Slavonia, Zvonko Brkic for another, and so on. That kind of division exists even today. Hamdija Pozderac had strong influence in that part of Bosanska Krajina, and that is how it is done throughout Yugoslavia. Today he paid the price, tomorrow it will perhaps be paid by someone else.

DANAS: Up to now socialism has not seen this type of resignation.

Bilandzic: No, it hasn't!

DANAS: Can you foresee the consequences for politics and especially for politicians? Will this example impose an obligation on others in similar circumstances?

Bilandzic: We can anticipate that at first, for a year or 2 or 3, this case will have a positive effect, I would even say an extremely positive effect. But unless society continues to move toward democracy, attention will decline, the interests of those who hold power will win out over feelings of responsibility.

DANAS: A process of greater openness and democratization is taking place in our country, one in which, some people say, there is quite a bit of spontaneity, some would even say that there are elements out of control or indeed even elements of a "cultural revolution." How do you look upon the present processes and the possibilities for democratization?

Bilandzic: I have the impression that certain dangerous and very harmful things are taking place along with democratization. Some people look on democratization as being "anything goes," like Hyde Park. I am convinced that people sincerely desire democratization. But they are not working toward democratization if they impose destructive tendencies, if they bring pressures and the methods of the street into political life. Should that continue, there is a danger that what is really democratic, civilized, and culturally progressive will be lost in the whirlwind. As if the old Balkan mentalities are being awakened in some people, as though the time has come to extinguish the lights in the saloons and being the free-for-all. I think that kind of thinking and indeed even behavior is already operative. I would not like to be a doomsayer, but I would still issue a reminder that we have had several waves of democratization, the first was in the fifties when certain groups (Djilas) emerged on the margin, and the assessment was that this was leading to civil war; the second wave was in the early sixties when the intellectuals, especially the Slovenes, demanded that they not be mere servants and interpreters of party policy, and it was also smothered; in the early seventies we had a new wave of democratization, but it was also suppressed since it was said that it was leading to civil war. The present wave exceeds all previous ones both in its quality and in its scope. But the strongest wave of democratization is accompanied by the strongest wave which comes spontaneously and uncontrolledly from the street. I say this as a man who wants the democratization to succeed.

DANAS: Could that kind of situation be the prologue or grounds for some unconstitutional solution? Or will the crisis be resolved in the end by constitutional means, democratically?

Bilandzic: I am quite aware that there are people who would applaud if order began to be restored by repressive means. After all, they reason, there has been enough disorder in this country! But that would cast Yugoslavia into the state of Europe's sick person. The entire world trend, especially in Europe, has been against dictatorships. The era of dictatorships, both on the left and the right, belongs to machine industry, which demanded firm organization and hierarchy. That time has passed. No strong hand can augment production in Yugoslavia, nor can it inspire a desire for creation of material and nonmaterial goods. On the contrary, it could stifle them. We need to make a jump in terms of civilization, and it cannot be accomplished by any sort of strong hand. What we need is better organization, but not through organic centralization, but through organic integration.

DANAS: Do you think that everything can be organized and that in the most perfect organization there is room for spontaneity?

Bilandzic: Whoever does away with spontaneity would be a god. And there are no gods. Without spontaneity, there is no life. I am not against spontaneity, not in the least, nor am I against a certain amount of anarchy (stihija). But that anarchy has to be overcome so that it does not become destruction. In our country, however, we have had anarchy on the one hand, while on the other the authorities themselves were unable to choose the right moment for changes, for a different organization of society. Under socialism, unfortunately, there has been some kind of strange insistence on going to the end, to the edge of the abyss. That was the case in Poland with Gierek, that was the case in Hungary in 1956. When a monopoly is total, it does not see that the sky is falling on its head. By the time it does see it, it is already too late. So, even when it does fall on their heads, individuals, groups, or entire parties argue that something ought to be changed at the last moment so that they might extricate themselves.

DANAS: How in your opinion will relations in Yugoslavia develop in the near future, since it is evident that the "sky is falling" or has already fallen? What is the most logical scenario for the resolution of the crisis?

Bilandzic: We have conflicts ahead of us, a series of dramatic moments. We have already reached that point, and yet I do not see on the horizon any conception of a way out of the crisis. We do not have many options. We cannot accept either the Western or the Eastern system. What remains, then, is for us to develop and change the present system of federalism and self-management, but in such a way as to modernize it, to carry out restructuring, as Gorbachev has been saying. We also need restructuring. Gorbachev's point of departure is what we had in 1949, but our restructuring must begin with our own 1987. That means a bold step toward modernization, toward reform of the economic and political system, toward an efficient society.

DANAS: It is evident that there is dissatisfaction in society. Who can make the most use of it? Can the LCY use it to change the state of affairs?

Bilandzic: As things stand at present, I do not think it can. There first has to be a reconstruction of the leadership. Even the birds in the trees know that some of the people in positions of leadership have not been up to the spirit of the times or to the problems which existed, that their professional knowledge lags catastrophically behind the achievements of the present-day world. They are standing in the way of development, but they are not even aware of it. I am not making a plea for the old type of leader who in Slavonia would talk about the development of agriculture, in Rijeka about shipbuilding, and in

Varazdin about the textile industry. I think that some of our leaders today do not have the knowledge nor the boldness necessary for this complicated period of time.

DANAS: Is there also a need for a certain reconstruction of the program?

Bilandzic: It is evident that we do not have a program for mobilization. Even the Long-Range Program does not do that, although there are truly valuable ideas in it.

DANAS: Professor, you go back to the revolution, you are a long-standing party member, you hold the 1941 Partizan Commemorative Medal, after the war you were a military leader, a party and trade union official, and a theorist. Deep inside are you afraid of what might happen in Yugoslavia?

Bilandzic: Many who fought in the war have feared for the revolution. I can say that I am not afraid. There is one thing I am afraid of—stagnation in society. I am prepared to sacrifice many illusions that date back to the revolution for progress here and now. And I am ready to acknowledge that there were also errors in those illusions. But both confusion and illusions belong to the spirit of a time; at that time they had their use, since they were levers from which energy was generated to carry out social change. I am not afraid of the old illusions, I am afraid of the new ones. I am particularly afraid of the dramatic aspect of our slump, of the gap in civilization between us and the advanced world. That gap is widening, and I do not see on the horizon a force which can extricate us.

07045

## BULGARIA

### Chief of Staff Queried on Impact of Political Trends

22000004a Sofia POGLED in Bulgarian  
21 Sep 87 pp 1, 4

[Interview with Colonel-General Atanas Semerdzhiev, Chief of the General Staff of the Bulgarian People's Army and First Deputy Minister of National Defense, conducted by Georgi Grozdev of POGLED: "Glasnost, democracy and the army"]

[Text] The meeting took place in the General Staff conference room. Colonel-General Atanas Semerdzhiev entered precisely at the appointed time and, after exchanging the usual greetings, offered the "head of the table" to someone else rather than take it himself. Along-side the journalists, he said with a smile:

"I am ready to answer all your questions. I don't think we should restrict ourselves merely to the problems of forming and training the armed forces and organizing the country's defence. We are meeting on the eve of the Bulgarian People's Army Day, but we could discuss economic, social, scientific, technical and other questions of restructuring. The people have a keen interest in all aspects of the life of society. POGLED has a role in this process. So let's start."

One of the questions that set the tone of the meeting from the outset referred to the staff of the Ministry of Defence. Haven't its numbers swelled? It turns out that the payroll has not been increased for some time despite new and more complex tasks.

#### What is the condition of our army's equipment?

A small country cannot constantly rearm itself with all the new weapon systems that see the light of day. It must miss out on some models, especially since these days new improved models appear at very short intervals. But I can assure you that the defense potential of the Bulgarian People's Army rests on modern weaponry.

#### How are the resolutions of the July plenum of the BCP Central Committee affecting military construction?

These resolutions touch upon all the essential elements of military construction in Bulgaria and upon the country's preparation for defense. There is no trace of red tape inferred in this, simply objective reality. First of all, because the country's military power is not an autonomous category that exists outside the social body. It is its well-being. It exists in every one of its cells. Second, because all substantial changes in the system — and I mean radical, not substantial changes — for a turning point in society inevitably impose the development of essentially qualitatively new solutions, a qualitatively new concept of military construction, not reexamination and redefinition of old plans and perceptions.

Third, certain problems have amassed in the construction of the army in recent years that oblige us to refute some of our recent ideas in this area and seek new solutions.

#### In your opinion, how far can glasnost go with respect to the army?

In every country there are areas in which information cannot become public knowledge. This is the case with information that concerns military secrets. But there are also other factors that define the limits to which glasnost may go. One of these is one-man management. Our position here coincides fully with that of our colleagues in the Soviet Union: everything in the army may be criticized as long as this principle is not violated. This is of fundamental importance. Under-mining it may have fatal consequences for the fighting capacity of our armed forces. However, this does not prevent us from roundly criticizing all shortcomings in the organizational and political work of the command staff, violations of regulations and directions, manifestations of sloppiness, crude attitude and inadequate concern for subordinates. The battle against non-regulated relations between staff of different conscriptions is particularly fierce.

#### Since the current intake of military recruits has begun to receive its draft cards, we should explain the circumstances of non-regulated relations and why they occur.

These manifestations are problems of relations between old, chiefly between old and young soldiers. Violations of normal relations between senior and junior officers are treated as corruption of disciplinary practice. In developing glasnost we see a powerful medium for overcoming these phenomena, which are foreign to the very nature of our army.

But the question you posed is also connected to democracy in the army. Nothing that is guaranteed to Bulgarian citizens by the constitution can be or should be denied military personnel. Democracy must also be expressed by achieving a certain warmth between the commander and the subordinates. Let us not forget that a soldier's memories of these warm feelings stay with him throughout his life. Meetings of soldiers and sergeants, sergeant's councils, meetings of komsomol associations and party organizations, comrades' court of honor, servicemen's councils, the ministry collegium — all these are forums in which the democratic principle can be and is expressed. I have attended komsomol and party meetings. They are very stormy. I have heard some very sharp things said with respect to the bosses, and with good reason. Our non-commissioned officers are quite mature — I'm thinking here of the generations that joined the army with higher military education. They are distinguished by their intellect. I am sure you know that there are many applicants for admission to military school in Bulgaria, which means that selection is strict.

I have not forgotten your question. Non-regulated relations are on the decline but they have not disappeared despite the spread of democracy and glasnost. In public trials of crude manifestations of non-regulated relations or severe corruption of disciplinary practice, uncompromising sentences have been passed on the guilty parties. The responsibility of the commanders in whose units these acts took place has not been over-looked. And yet, the officer cannot constantly be an overseer in every military unit.

To keep my own conscience clear, I shall add that some of our non-com-missioned officers do not live with the pains, emotions and thoughts of their subordinates. They exhibit an intolerable, almost bureaucratic attitude towards their obligations, which is the first step to similar negative phenomena.

**Do you think the young people of today have the necessary physical fitness to carry out their military duties correctly as soon as they join the army?**

Young people who have been brought up in a strict family atmosphere with certain expectations, and have not been spoiled, will adapt more easily to the harsh army workday. Few have the necessary physical stamina and fitness at the outset, and it seems quite difficult for them to work out on the parallel bars or beam.

General-Colonel Atanas Semerdzhiev agreed to help put into effect our suggestion, made spontaneously, that POGLED and the army sports coaches would provide the opportunity for future recruits from the capital to work out at a time and place convenient for them.

**Were you ever a soldier?**

In my own life, circumstances were such that before the time came for me to join the barracks I had to take to the Balkans. Instead of two years of military service I spent almost three years as a partisan. After the Ninth of September — I was 20 then — I went to the front as assistant commander of a battalion of the 27th Chepin infantry regiment. We got as far as Skopje.

After the war I was demobilized and went on to party work, but when the then Minister of War, Damyan Velchev, began to plan a coup I was again called up to the army along with a dozen other former partisan commanders. We had to go through specially organized officers' courses. Velchev still held real power and did everything to make life difficult for us, to the point where we would have to leave the army: we had crackers in our food that were crawling with round, white worms, like grains of rice.

**One more question about army life. The military send-offs began again this year, and again they often turned into beanfeasts.**

I can remember, it was 1941, my brother set off for the barracks and no one went even as far as the station to see him off. No one. It was a normal and natural thing; he was going off to be a soldier. So how should we look at these senseless feasts and drunken revelries. You know, years ago we used to gather the young people at an appointed place and from there we trucked them away to their units. We stopped doing that to avoid the problems of feeding them. Now, parents and relations drive the new recruits, and hundreds of cars pile up in front of the barracks. I wonder whether maternal concern is the best guarantee of a good education? I said that, when the time came, my brother and I parted like men. Now, when the time comes for conscription, we receive thousands of requests at the General Staff and in its departments. As a rule, these are requests for lighter service or a closer garrison for a son, a brother or a grandson. Many mothers follow after their children the very first day of service.

We are waging an uncompromising struggle against intercession — Comrade Dzhurov personally and all the chiefs in the ministry — but I could not say that our efforts were meeting with the support they deserve from below.

Although our subordinates assert that those of us above make many com-promises ... May be you have read in the press that an officer in a responsible position — a general — had arranged a suitable duty for his nephew. The general was punished, and this was reported in NARODNA ARMIYA. There are no restrictions to this type of glasnost.

**Is there bureaucracy in our army?**

This question challenges me to use additional information again. What does "bureaucratization" mean? Many people have the notion that a bureaucrat is a person who sits and writes documents and creates obstacles for jobs to be completed. At the beginning of the 80's in the defence management system of the Soviet Union, documents were circulated that could be collected into tens of millions of books, of 500 pages each. Every year tens of millions of documents are added. The unenlightened will immediately say: this is bureaucracy. No, comrades. In Marx's time, human knowledge doubled in 50 years; in Lenin's time in 17 years; and now it doubles every 20 months! How we use modern information technology — how well we know the computer — is another question. We have some way to go. This is why there is a flood of paper.

There is another side to the question of bureaucratization: diverting government agencies, or some of the workers in these agencies from active duty as soldiers, making a fetish out of documents, creating false notions and illusions that by giving one instruction the task will be completed automatically. These trends exist, and we are waging battle against them. We are cutting down the administrative staff.

**Why isn't the size of the military budget published?**

I think the time is coming when that will happen.

**The process of restructuring is associated with conflicts and high drama, although some rather cheerful folk are taking care of all that. Criticism is mounting. What do you think its role is with respect to strengthening national feeling, strengthening patriotism?**

The question is truly difficult, and as a citizen of our country I have my own opinion. Current imperialist politics of global confrontation with practical socialism, politics of social revenge, are also associated with our domestic problems. What is the basis of the "mechanism of standstill" that so many people are talking about? The contradiction between increased production forces and discrepant production relations. For many years we believed, falsely, that the production relations established after the victory of the socialist revolution would ensure expansion for the unlimited development of production forces. We did not even entertain the idea that, if the specific organizational forms and mechanisms of these relations (through which they would in fact be realized) were not improved, they would inevitably become a brake on the development of the production forces. Thus the role of the human factor was grossly underestimated.

The aim of the political report of the 27th Congress of the CPSU, of the resolutions of our 13th Party Congress, and of the ensuing plena is to abolish this very disparity, the most important bar to achieving a qualitatively new growth and accelerating democracy and glasnost.

If socialism does not find the strength within itself to resolve and overcome this contradiction, it will not be able to demonstrate its greater vitality.

What is my attitude towards criticism and patriotism? Some time ago, LITERATURNAYA GAZETA published an interview with the First Secretary of the Obkom of the party. This was one of the questions: Don't

we lose when we speak openly about our shortcomings? His reply: What shall we gain if we continue to live in the garbage, and the garbage at home increases, and we suffocate in it but keep quiet. Isn't it better to throw it out, even if the neighbors see it. But when we throw it out, we have no reason to be ashamed of our past, to cancel out with slight of hand everything that has happened from the day of the Great October to today. Just recently PRAVDA published an interesting article on this subject by Vera Tkachenko. Socialism is something we cannot do without. Just think of what it has given humanity, and how this world would look if Soviet power did not exist. I am for objective, just criticism, but I am against negativism that presents weaknesses and errors in such a way that everything else is cancelled out and eclipsed. That is my position and I don't think it can be any other way.

With youthful fervor General-Colonel Atanas Semerdzhiev opened one of the latest issues of LITERATUREN FRONT that he had brought with him and looked for the words of an article written by an author he did not know. He liked some of the thoughts: we cannot reject our experience, it is a part of our memory, of our specific gravity before the world.

At the end of our conversation, we thanked the general and learned many more things that we did not publish, not because they are military secrets. We also spoke of strengthening party leadership in the army, of the concerns of the Party and the government about our armed forces. We have something to use directly in our journalistic work in the future. At the same time, the magic of the meeting awoke in many of us memories of a beloved military commander, of a son or near one who had done his military service. The army is the flesh of our flesh, said General-Colonel Semerdzhiev several times during the conversation. That is a fact that needs no proof. Its holiday is our holiday. Your health, our soldiers and commanders!

12907

## HUNGARY

### Wage 'Grossification' Mandated as Compensation for Income Tax

25000008a Budapest MAGYAR HIRLAP in Hungarian  
17 Oct 87 p 1

["Grossification Is Mandatory"]

[Text] Grossification is mandatory for all enterprises and must be effected for every employed person or member of a cooperative. The decree of the Presidential Council further states that the net income from primary employment may not decrease in the case of unchanged performance. However, this requirement may be practicable only in a certain sense.

A new expression has been added to the Hungarian lexicon over the last few months, and even if it is not nice, it is precise: grossification. It is well-known that starting next January everyone will have to pay personal income tax. Since an expenditure of this type has not burdened our pocketbooks until now, employers will have to increase incomes to the extent needed to cover the payment of taxes already at the transition time. But what seems rather simple in theory, in practice entails the solution of a whole series of tasks. What do we know about grossification at this point? The Presidential Council's decree regarding the mandatory grossification of wages will be issued in the next few days. And the government's directive which was coordinated with SZOT [National Council of Trade Unions], TOT [National Council of Producer Cooperatives], OKISZ [National Council of Artisan Cooperatives], and SZOVOSZ [National Federation of Cooperatives], regarding the practical work will be published shortly. The State Wage and Labor Affairs Office has prepared guidelines for the enterprises regarding the most important technical questions, and will probably also provide the citizenry with an easy-to-understand publication.

The centrally determined guidelines however only establish the most important principles. The practical work, the individual grossification of incomes, is the task of the enterprises. As stipulated by law, they must set forth the basis of grossification, the method of its implementation, and every important aspect in a collective agreement by 15 January 1988. At the same time they must inform the workers in writing how their basic wages will change by 31 December 1987. For this practical work the economic organizations may not expect decrees or regulations other than the ones already mentioned since they are familiar with the local situation needed for concrete decisions.

And what does the decree, or rather, the central guidelines say? Grossification is a mandatory operation; every enterprise must implement it. Grossification covers every employed person or cooperative member; thus, by

definition it also includes those with second jobs, secondary occupations, and also part-time workers in addition to those with one primary job. Exceptions to this are those whose employment at state financed institutions is not their primary job. In their case, the employer may decide whether or not to increase their salaries. However, it is not mandatory to grossify the income of those who are not employees, for example, those who work on a commission basis.

The law explicitly states that the net income from the primary source of employment may not be decreased if performance is unchanged. The emphasis is on unchanged performance. But in practice, it is inconceivable either mathematically or economically for every worker to receive forint for forint and filler for filler the same amount they received in the previous year. For example, if a worker diverges from the former norm or performs a new job function, obviously he cannot earn as much as before. Or if a company switches from several shifts to one shift or if there is less overtime—these will all modify the paycheck.

But it is also not permitted to differentiate between individuals in the case of piecework wages, even under the assumed unchanged performance. In this instance, it could happen that someone who works more efficiently will receive less net income after grossification than with the similarly efficient work now. While his co-worker whose productivity is lower will fare better with the new basic wage which will be grossified in comparison to the average than he would have if this were done on the basis of his own productivity. The concrete questions could be continued but even this is sufficient to indicate that the requirement that the net income should not be reduced after grossification may be practicable only in a certain sense.

In the spirit of the law, grossification may only form the basis for a labor dispute if the worker is able to prove that his personal income was not established in the same way as specified in the collective agreement, or rather, as stipulated in the laws.

And what must be grossified? The basic wages or also the variable wages? As a general principle the following may be noted: all such compensations paid by the enterprise as financial incentives from either its wage costs or from its incentive fund. Thus, this includes the basic wage, the base wage, the wage supplements, and other types of bonuses. However, day-wages, sick pay, and bonuses not included in the previous grouping are not a part of this category. Although there is no prohibition about their grossification it seems likely that not many places will be able to cover this too.

We will not delve into the technical details of the actual implementation of grossification here. The enterprises will solve this with the aid of one formula but, in all certainty, in ways that differ from each other. What

constitutes the above-mentioned decision-making freedom of the enterprises? It lies in how the total enterprise grossified wages will then be redistributed by individuals. (After all, we have been discussing the grossification of individuals up until now.) For example, will they raise the basic wages by the amount of grossification and adjust the variable wages accordingly, or will they raise the basic wages less and in this way increase the proportion of the variable wages? Further, enterprises are given a free hand in how they will preserve the incentive effect of wages and the sort of internal interest system they will develop within the various work categories.

And finally, how soon after grossification will we find out whether we will earn more or less next year, compared to this year? Those whose income is derived only from one primary job will naturally find out with the first paycheck of the new year. (That is, what they receive for the month of January.) However, those who support themselves from two or more sources will see clearly only at the end of the next year, after they have paid their personal income tax liability.

It has already come up at the National Assembly committee hearings that certain enterprises have nothing from which to grossify regardless of what the law says. At the time, officials from the Ministry of Finance reassured the miners that they will receive money from central funds to cover this. The government also reinforced this. But what will the others use for grossification? The main source will be the discontinued enterprise tax. However, where this is insufficient the enterprise may take out a state guaranteed bank loan. And what are companies with falling profits to do? They will probably be governed by the sentence which states that net income with identical performance may not decrease. And if their profit is smaller it is likely that the enterprise productivity has also decreased. But there is also the possibility of the opposite: more funds could be generated for grossification with productive work and an increase in profit. Further—and this is not at all insignificant—work force reductions could also create more funds for this operation. The central wage fund regulation in force in 1988 provides an incentive for enterprises to part with their dispensable personnel. They could give the entirety of the salaries saved in this way to the remaining personnel even on the grounds of grossification.

09956

**Minister: 'Legal Guarantees Protect the Taxpayer'**  
25000008b Budapest MAGYAR HIRLAP in Hungarian  
17 Oct 87 p 4

[Report on speech by Minister of Justice Imre Markoja]

[Text] The national lawyers' conference started yesterday in Siofok where the timely issues of our legal policy regarding the economic building work were discussed in connection with the new work program of the Council of

Ministers. On the agenda were—among other things—topics such as the position and role of the Hungarian economy in the international economy, the possibilities of drawing in of foreign capital domestically, new features of the development of our banking system, and changes in Hungarian financial policy. Primarily lawyers working in the economic field were invited to the professional meeting, organized by the Association of Hungarian Jurists [AHJ]; thus there were approximately 1500 participants at the working conference.

Dr Gyorgy Antlaffy, president of the Association of Hungarian Jurists, greeted the participants at the opening session and the conference was opened by Dr Laszlo Nagy, general secretary of the AHJ.

Following this the participants heard the presentation of Dr Imre Markoja, minister of justice.

In the introduction—the minister of justice, speaking about legislative activity—recalled that during its spring session the National Assembly passed legislation regarding land, during its summer session it modified the criminal code and laws regarding criminal procedure, and during its fall session it created legislation regarding general sales tax and personal income tax.

In connection with the tax laws he called attention to those new regulations which have the significance of guaranteeing the protection of the rights of those obligated to pay taxes and the assurance of legality. As he said: the laws, in contrast to the second degree appeals decision regarding the assessment of tax, until now permitted judicial recourse only on the question of legal grounds; that is, the court could not review the amount in question. The new laws make it possible for both private individuals and legal entities to turn to the courts also with regard to the determination of the amount of tax. In the case of the income tax of private individuals—in contrast to the general sales tax—this law applies to the individual obligated to pay tax only when the disputed sum exceeds 5,000 forints; after all, it would not be practical to refer a multitude of less weighty matters to court.

The minister also discussed at length how creditors could call for the dissolution of economic organizations which have become consistently insolvent, and how the economic organization could itself also request this; thus, this law is not applicable to the organs of macroeconomic management—in accordance with the principle of the independence of economic organizations. The initiation of court proceedings only has a place if the creditors and the economic organization are unable to come to an agreement on the issue of re-establishing solvency during the course of the preliminary negotiations—which are organized by the Hungarian Chamber of Commerce or cooperative interest representatives. A further stipulation is that the minister of finance is not to exercise the option of ordering a state bail-out. Otherwise, the minister of finance may only order this type of



procedure, the goal of which is to put an end to constant insolvency, in special circumstances as stipulated in law; for that matter, only the Council of Ministers is permitted to authorize a state bail-out.

During the course of the liquidation procedure—continued the minister—the court decides on the elimination of the economic organization, the division of its assets, and settlement of the creditors' claims. The law establishes the order in which the claims have to be satisfied in the division of the assets. Creditors will not receive those claims which are not settled in full due to a lack of assets, because the state will not assume responsibility for claims against the dissolved economic organization. The claims of private individuals—in the protection of the citizens' legitimate rights—which arise from noneconomic (industrial, commercial, service) activities represent an exception to this. In the event of the dissolution, a primary task is to find the workers of the defunct economic organization jobs and to arrange for their placement.

In what followed Imre Markoja announced the drafting of the law concerning legislative activity that has been placed on the agenda and that the proposal of this law—which the Council of Ministers has already ratified—will be presented to the National Assembly before the end of the year.

The minister also spoke about corporate lawyers who—as he said—represent 40 percent of the legal professionals; there are nearly 5400 of them. The present availability of legal advisors for enterprises and other economic organizations, as well as the future supply of lawyers, is not reassuring. Today in Hungary there are approximately 25-30,000 organizations and individuals whose legal needs should be handled by a legal advisor. Despite the fact that 32 percent of the legal advisors who are employed have second jobs, secondary occupations, or other types of legal work relations and also that legal advisory partnerships, legal offices, legal advisory offices, and a not insignificant number of lawyers supply the legal needs of these organizations, the procurement of legal services (in accordance with the requirements of laws) is not assured everywhere. It is almost impossible to see economic organizations that have combined legal services which is however legally permitted. However, the legal advisor partnership form—in the past four years 53 such partnerships have been formed, the majority in the capital—has been successful as a new institution and assures quality legal representation, especially, for the small organizations and economic organizations just as it fulfills the needs of entrepreneurially spirited legal advisors. The enthusiasm of lawyers to establish these types of partnerships has not abated. In conclusion the minister noted that it has therefore become necessary to establish self-management organizations to provide direction, supervision, and coordination for the partnerships; the drafting of the legal prerequisites for this has been started in the recent past.

**Changes in Private Sector Regulations Announced**  
*25000009b Budapest MAGYAR HIRLAP in Hungarian*  
*17 Oct 87 p 5*

[Text] The private sector has become an organic part of the socialist people's economy. It performs secondary industry functions and manufactures goods that are in short supply, in addition to performing traditional services for consumers. The private sector offers job opportunities to workers who have become superfluous elsewhere, and it does so without using public funds. It is capable of attracting private funds and of activating latent entrepreneurial instincts. And since there is a need for it, the system of cooperation between the private sector and the public sector must be perfected. A recent decision enables small tradesmen and private merchants to increase the number of employees they hire.

According to existing rules, a small tradesman may have up to six employees or contract workers, and six family members as helpers. A private merchant who operates a restaurant, coffee shop, boarding home or a camping ground may have nine employees altogether. Including family members, the number of workers may not exceed twelve. A maximum of four private merchants may form a civil law association [PJT].

Stringent rules limit the number of guests to be accommodated in boarding homes to 30. Almost 25 percent of the community of small merchants is part of a contractual system. Retail stores are limited to 5 employees, while restaurants may have up to 6 or 12 employees.

Following a lengthy preparatory period, last spring the government decided to examine the possibility of raising the above limits differentiating on a geographic and occupational basis. They found that although only in small numbers, there are private merchants and entrepreneurs involved in rather substantial export transactions, and that others are at the leading edge of innovation, while their hands are tied by present regulations. Further, the government found that the strict limitation on the number of employees frequently prompts small entrepreneurs to change their form of organization, even if the previous form was more appropriate under prevailing local conditions. And third, the government discovered that there are regions in Hungary which experience employment problems, where local small tradesmen and private commerce could provide jobs for those out of work.

Aware of all this, a decision was reached to cast aside the idea of regional and occupation differentiation, and to raise the permissible number of employees hired by small tradesmen and private merchants to 30. The change is temporary. The new rule also applies to units that operate under contract, and those which follow an accounting practice based on averages. A new business form is being developed by government which provides

a legal characteristic to the business association of private individuals. And as long as boarding homes may employ 30 persons, more tourists could obtain room and board if the permissible number of guests was raised to 60.

The National Association of Artisans [KIOSZ] and the National Free Organization of Retailers [KISOSZ] welcomed the decision. Their joy was undivided, even though they are aware of the underlying data.

Only 25 percent of the approximately 150,000 small tradesmen has any employees. The average number of employees per small tradesman stands at 1.7. Only 8 percent of the small tradesmen employ more than 3 persons, and barely 300 make use of the maximum permissible number of 6 employees, or have more than 6 employees on the basis of an individual exemption.

The situation is the same with respect to private merchants. The average number of employees stands at less than two, and the average number of members in PJT's also remains below the permissible limit.

12995

#### **Decree Imposes 25-Percent Tax on Private Entrepreneurs**

25000009a Budapest MAGYAR NEMZET in Hungarian 26 Sep 87 p 4

[Text] At its Friday session the Presidential Council on the People's Republic discussed a proposal of the Council of Ministers and promulgated a decree having the force of law. The decree pertains to interim measures and effects on other laws related to the implementation of a law providing for sales and personal income taxes. Relative to the introduction of personal income taxes the new decree provides for the increase of wages and other provisions that have the character of wages (gross wage accounting system). Detailed rules for the implementation of these changes will be provided in collective agreements and in rules relating to labor affairs. The decree grants tax exemption for payments based on 1987 employment relationships, but which are carried over to 1988. The new law modifies certain rules applicable to financial transactions and to violations, as well as to customs rules.

The Presidential Council debated and adopted a proposal concerning the entrepreneur tax. It promulgated a decree having the force of law, providing uniform principles for the regulation of private enterprises owned by individuals or by groups, as well as for the taxation of small cooperatives. Entrepreneur taxes must be paid on the combined total of the entrepreneur's profit and income. This system of taxation regulates the entrepreneur's consumable income not only through the personal income tax system, but also through the entrepreneur tax. The tax rate was established at the uniform level of

25 percent, while providing that the first 100,000 forints (in certain instances the first 200,000 forints) earned by an entrepreneur are tax exempt. Both decrees go into effect on 1 January 1988.

The Presidential Council modified certain provisions of the 1980 law pertaining to atomic energy. It adopted a proposal to change the name of the Hungarian Chamber of Commerce to Hungarian Chamber of Economic Management, beginning on 1 January 1988. The new name is more representative of the Chamber's membership composition and properly reflects the economic management work conducted by its members.

The Presidential Council decided on the award of decorations to be made on armed forces day, as well as on appointments and the release and appointment of judges.

12995

## **ROMANIA**

#### **Interview With Economics Institute Director**

27000010a Iasi CRONICA in Romanian  
No 41, 9 Oct 87 p 8

[Interview with Costin Murgescu, director of the Institute of World Economics, by Ion Taranu; date and place not given]

[Text] Born on 27 October 1919 in Rimnicu Sarat. After graduating from the Matei Basarab highschool in Bucharest, studied at the Faculty of Juridical Sciences in Bucharest, which he graduated in 1941.

Having won his doctorate in economic sciences, he made his debut in the press as a young man, then joined the editorial board of ECOUL and ROMANIA LIBERA, which was at the time illegal.

After 23 August 1944 he first became editor, then deputy chief editor of ROMANIA LIBERA, where he remained until 1952, when he joined the scientific research department of the newly established Institute of Economic Research of the Romanian Academy.

In his academic career he was head of the political economy department of the Bucharest University (1953-56), after which he was deputy director (1956-65), then director of the Institute of Economic Research.

In 1964 he contributed to the publication of the magazine VIATA ECONOMICA, which he headed until 1968.

Since 1970 he has been the director of the Institute of World Economics, which in the first years was called the Institute for the Study of International Economic Conjectures.

He was a member of Romanian delegations to many international scientific meetings, and represented our country at four UNCTAD sessions, the UN/EEC, and at four sessions of the UN General Assembly. He was elected first vice chairman of ECOSOC (1967-68) and chairman of the UN Economic and Financial Commission (1979-80).

Since 1964 he has been a correspondent member of the Academy of the Socialist Republic of Romania, and a full member of the Academy of Social and Political Sciences since its establishment in 1969, where he is head of the economics section.

Some of his major publications are: "Heavy Industry—A Pivot of Romania's Reconstruction" (1946), "The Agrarian Reform of 1945" (1956), "The Managerial Teams of Economic Units" (1971), "David Ricardo in England of the Industrial Revolution" (1972), "The Socialist Economy in Romania. An Introduction to a Contemporary Experiment in Economic Development" (in Portuguese, Lisbon, 1977), "Japan in the World Economy" (1984), and "The International Economic Crisis" (1986).

[Question] If you had not come to Iasi I would have looked you up in Bucharest for a discussion bearing on mankind's entry into a new millenium. As director of the Institute of World Economics, how do you see the economic issue at this meeting point of two millenia?

[Answer] Before answering, I note that you are inviting a comment on something that is not related to the theme of our discussion. Had you been looking for me in Bucharest, I hope that you would have had an easier time of finding me than I had of finding CRONICA at newspaper kiosks in Bucharest. However, you do not want to talk about the current circulation of literary or scientific products, but about the life that mankind can expect in the next millenium.

That is easier, but I wonder if it is not too ambitious an idea, even at a time when predicting the future has become a "best seller" recipe. For that reason, I will limit myself to only three aspects on which I think that the world should reflect as it is preparing to step into a new millenium. The first aspect concerns the manner in which we prepare the new generations for that moment. For example, you see, my nephew, who has not even learned the alphabet yet, finds it normal to watch on the miraculous and colorful screen of the television set a sports event that is taking place at the exact same time in another corner of the world, perhaps even at our antipode. At his age, my brother and I were considering in fascination the gramophone that our parents had bought, or the telephone on which you could talk from town. The children that are being born as we talk will be 20 years old in the year 2008, i.e., at the beginning of the next millenium. I took the age of 20 because that is the accepted span between "generation changes." Since the beginning of humanity, each generation has brought

something new, of its own making, to social life, without that necessarily involving notable changes in the relationship between man and nature, changes that used to take effect in the course of several generations. What characterizes our era, is the fact that rapid, sometimes radical changes are occurring in the relationship between man and nature within the space of one generation. If we do not grasp that, it is pointless to talk about the importance of the current scientific-technical revolution and about the tendency of this process to speed up. And once we understand this change, we have to deal with the manner in which we prepare ourselves and our heirs for such rapid changes; inevitably, this implies finding new and more subtle balances between technological achievements and social life. We talk about communication in interplanetary space, but I think we should talk at least as much about the need to shape a new kind of thinking, a new type of society, and a new social morality. If we do not prepare the man of the next millenium now, technical progress will be impossible or useless. The modern plant does not function with men of the mentality of the feudal system. I guess you are surprised that I should begin a discussion on international economy with remarks concerning the process of shaping man. There is, however, a direct connection between these comments and the second aspect of the issue that you raised. The progress of the production forces has always allowed man to master and to more fully utilize nature in order to make his own life easier, and more pleasant, too, if possible. The specific trait of contemporary progress is that it is being achieved by virtue of international mutually conditioning factors that are no less important than the acute contradictions among systems, nations, and firms, which are also international in scope. There is no point in saying that "our world is becoming increasingly smaller" if we omit this contradictory aspect of contemporary progress.

We are all familiar with the sad but widespread effects of certain mistakes made in another corner of the continent in the process of peaceful utilization of nuclear energy, which nevertheless remains one of the major sources of energy of the future.

We are proud of having created "artificial intelligence," on which we will also rely in the future, but once again, experience has shown that the smallest error in the construction or utilization of computers or robots can unleash genuine disaster.

A New Zealand aircraft crashed in the Antarctic, and a super modern U.S. passenger plane literally turned into a block of ice, both because of computer errors on board; a theft detector in a store caused the death of a customer who was wearing a cardiac stimulator, whose program was modified by the store device transmissions; the same happened to a hospital patient—an arthritis treatment device accelerated the patient's heart pace to the point of infarct; in July 1981 some repair signals were misinterpreted at a Japanese factory, and as a result of that a robot killed a worker who was engaged in repairing

another robot; in the Colorado river valley in 1983, a computer erroneously triggered the opening of the dams and vast areas were flooded, and so forth. Western press presents such accidents as the transformation of the advantages of artificial intelligence into tragedies of artificial stupidity.

Technical progress also presents another aspect on which we should reflect. I am referring to the impact of this progress on our living environment. We were becoming accustomed to the idea of the effects of factory smokestacks or exhaust gas on the health of people in industrial societies. Now, similar alarm signals are coming out of Nepal, which is feeling the noxious effects of a kind of society that is still in the making. The chemical industry has caused disasters not only at Seveso, in Italy, but also at Bophal, India.

Nothing shows the global impact of technical progress on human life more tellingly than the recent studies concerning the ozone "void" discovered by satellites over the two poles, or the effects of the process of atmospheric heating caused by increased amounts of carbon dioxide in the atmosphere.

What is the moral of the fable? Harsh international competition is impelling society to commercially capitalize on new discoveries before carefully evaluating all the possible effects of any step taken along the lines of technical progress. Undoubtedly this aspect is not true only of our society. People have always acted according to more or less similar reasoning, stemming from the struggle for power and domination. However, the greater man's capacity to master nature, the greater his capacity to spoil it through the uncontrolled application of technical progress.

The necessity, which is urgent and vital for man's fate itself, to put technical progress under control is most intensely reflected in the problem of war and peace. And thus I arrive at what I termed the third group of observations concerning mankind's entry into a new millenium. We are all agreed that the arms race in which the world has engaged for over 40 years has brought mankind to the brink of destruction, and that it is essential to halt it before we get to the point of no return. We enter the new millenium with the hope that reason will triumph. That, however, implies not only halting the current arms race, but also radical changes in the international economy, political thinking, and relations. Not only the world economy was militarized in the past four decades—whereby military expenses and war production have become a component of the process of social reproduction—but also the society's way of thinking and its concepts concerning the relations among states and nations. I believe that the crucial issue, which predicates the way in which humanity will cross into the coming millenium, and the basic test of its capacity to subordinate, at least from now on, all economic development and technical progress to permanent and essential

human values, is to break out of this spiralling permanentization of serious conflicts (local, regional, and global), and to overcome the philosophy of exploitation of the economically backward by those more advanced. In the absence of such clear objectives, the very idea of progress loses its sense.

[Question] How do you see Romania's place in the future world economy in the light of the documents of the 13th RCP Congress?

[Answer] Our party views the entire development of the national economy from the perspective of a world in which reason, peace, and international cooperation among sovereign and equal nations have triumphed. In the last analysis, this is the basis for the concurrence between Romania's domestic and foreign policies. In accordance with that view, we endeavor to make maximum use of the nation's entire creative potential. Industrialization, the new agrarian revolution, rapid scientific-technical progress, and social and cultural development targets are the inherent components of the policy stemming from the strategy adopted for the purpose of raising the nation's level of civilization through a more efficient participation in international exchanges.

As Romania's president, Comrade Nicolae Ceausescu continuously stresses, the national efforts to attain those objectives are taking place in the conditions of an active participation in international life. Thus, Romania has won recognition for resolutely promoting a policy of respect for the principles of sovereign equality among nations, noninterference in internal affairs, mutual advantage, and abolition of the use and threat of force. According to the RCP's concept, which was pragmatically reasserted at the 13th congress, mankind's present duty is to unite all forces in order to eliminate underdevelopment, the scourge of the contemporary world, and to free the world from the specter of a war that, given the current stage of the arms race, would be tantamount to a mad act of self destruction. We must note with satisfaction that the entire course of international life verifies the correctness of this orientation, consistently promoted by socialist Romania ever since the time of the great tensions that troubled the world in the past decades.

Reflecting on all that, I think that we are entitled to be proud of being Romanian communists, despite the serious difficulties that still remain to be resolved in attaining our aspirations.

[Question] You wrote a book of impressions from your travels to Japan. Which are the new centers of power, and what can you tell us about the future evolution of the balance of powers?

[Answer] The book about Japan, as well as my observations on trips to China and other south-east Asian countries (which I have not managed to incorporate in special works) are based on my view—which is in point

of fact shared in "The World Economic Crisis"—that gradually, the center of world civilization tends to shift to the Pacific area, after centuries of being located in the Mediterranean, and later in the Atlantic areas. The economic dynamism of China and Japan is organically related with the increasingly important place taken by the Far East in the economic growth of the Soviet Union and with the shift of the U.S. power center from its east coast to the west coast. This is not an overnight change, but a long-term trend which I think will find conclusive expression in the first centuries of the next millenium. The process that has begun reflects the fact that the entire future evolution of the balance of power will be determined by the intensity of scientific, technical, and economic progress in various areas of the world.

[Question] A question about making one's way in science: how does one become a valued economist? Do you think that a person discovers himself, or must he be discovered and promoted by a mentor?

[Answer] Except for the area of the history of economics or economic thought, the only great school for an economist is direct contact with the social practice of his time. Economic sciences are not learned from books alone. The books are only the training, not the competition or performance. No one became a great athlete only by training, without stepping out into the arena and confronting adversaries.

Personally, after my university studies, the second stage of learning was a period of many years of work in the press, where I was forced to study the economy "hands on" and to try to make sense of it. On the basis of that personal experience, I believe that the "mentor" can be only a trainer. The performance depends on one's own effort and one's own capacity to discover and excell oneself.

[Question] You have participated in many international scientific meetings and you have represented our country in other economic and political sessions at the United Nations. How much do exchanges of ideas and personal contacts contribute to the insemination of personal scientific research? [Answer] They make a decisive contribution, but only on the condition that one does not reduce such contacts only to the desire to communicate one's own ideas or views, to "impress," but that one is continuously concerned with learning, with "extracting" as much as possible from the others and then reflecting on what has been learned.

[Question] One Nobel prize winner said that in order to mature, scientists need, after their doctorate, several years of nothing but research.

[Answer] In order to mature, a researcher needs not several years, but a lifetime of research. Those who cannot learn throughout their lives should give up research. That, you see, is not true only of research, but also of those who teach economic sciences and who need, in their turn, to continuously update their knowledge. American universities have a "sabbatical," in which teachers are exempted of other duties to free them for special scientific research.

[Question] As a friend of Iasi, which you frequently visit, what is your opinion of the "Iasi economic school?"

[Answer] Without meaning to flatter anyone, Iasi, not Bucharest, has been the cradle of Romanian economic thought. In the 19th century, Bucharest not only did not have its own school of economic thought, but I think that it even contributed to national thought less than the Transylvanian economic schools of Brasov and Sibiu. I have lived in Bucharest since the fifth grade of high-school, so I should not be suspected of being partial. Bucharest made a place for itself in Romanian economic thought only because, being the capital, it attracted the relevant forces, as is the case in any country with a centralized cultural structure. Iasi still today has a number of very valuable economists. The economists and historians of Iasi have made essential contributions to the history of the national economy and to Romanian economic thinking. The Romanian school of marketing also relies heavily on the research of Iasi economists.

As is only natural, many research studies done in Iasi currently concentrate on the specific issues of economic development in Moldavia. I think that this research is of a great theoretical and practical value for our efforts to implement the party policy of harmoniously capitalizing on all the regions of the country and on the entire national potential.

[Question] Which of the major ideas of your work do you think have had the greatest national and international impact? Also, which of them do you think will remain topical in the next millenium?

[Answer] I will leave the answer to that for those who will write the history of Romanian economic thought in the next millenium. I am only one of the troopers of the Romanian school of Marxist economics who has written his works at the time of the building of a new system in Romania. Personally, I always thought that my best work is not one already written, but the one I intend to write next.

## GERMAN DEMOCRATIC REPUBLIC

### Protestant Leader Interviewed by Swiss Newspaper

23000015 Zurich DIE WELTWOCHTE in German  
3 Sep 87 pp 7, 9

[Interview with GDR Evangelical Church Federation Deputy Chairman Manfred Stolpe, by Fred Mueller, date and place not given: "A Passport for Everyone Remains Our Goal"]

[Text] Manfred Stolpe is one of the most prominent representatives of the Evangelical Church Federation in the GDR. The 51-year-old has headed the administration of the Berlin-Brandenburg State Church since 1982, and in this capacity is also one of the Church Federation's deputy chairmen. On account of his commitment to the peace movement, a commitment emphasizing the responsibility of all Germans east and west, he enjoys the confidence of the GDR's government and party leadership. Time and again, Manfred Stolpe makes successful use of his special position to defuse conflicts between the regime and church interest groups critical of the government.

[Question] For the first time since the building of the Wall, the evangelical state church of Berlin-Brandenburg is being permitted to hold a church convention in the capital of the GDR. Does this tolerance reflect a new direction in the government's church policy?

[Answer] No. It is not a case of a new direction's becoming visible in the course of 1987. This convention continues a long line of similar events in the past. Of course the convention in Berlin represents a large amount of state-church collaboration, without which such an event could not be held at all.

[Question] Alongside of the official church convention, dissatisfied members of church interest groups have organized a convention from the bottom up, at which the GDR has been publicly criticized. How has the government reacted to this provocation?

[Answer] The evaluation meeting with the government takes place in September. Together, we will discover the areas of complaint. We ourselves have none; we do not know about the government yet: we will just wait and see. The disturbing element on this occasion, for church and for state, lay in its spontaneity, something we both still have trouble with.

[Question] At this bottom-up church convention, in front of Western television cameras, there was a demand for (among other things) a lifting of the ban on travel to the West. Is the SED going to go along with that as well in the future?

[Answer] I heard a number of things at this grassroots convention that "the New Germany" would certainly not want to print up and distribute. But I came across hardly a view there that would take basic issue with the socialist society itself. Society must grapple with the problems articulated here. How much of this it can handle, I of course do not know. It is in any case one of the tasks of the church to take up such issues and to set them before society.

[Question] Do the SED's church-policy people share this view?

[Answer] Despite the ideological opposition between Christians and communists, a learning process has taken place on both sides in the GDR. The situation from which this process began was complicated. We believe in God, and see in Him the center of all being. The communists consider this belief unscientific and therefore false. You can imagine how, precisely among Germans, such questions of principle are argued out with deadly seriousness. In addition, there have always been day-to-day political issues on which we have held differing views.

[Question] Only a few years ago the state flexed its muscles vis-a-vis the church in the conflict over peace policy. It banned the church-related "Swords into Ploughshares" groups, and it persecuted the activists of the independent peace movement. Now would the same course of events no longer lead to the same conflict today?

[Answer] I don't think so. Overall, the state has become more flexible and also more tolerant. Its readiness to take account of variations has grown, just as has its ability to listen to other opinions. At that time, the government perceived the young people's spontaneous campaign as troublemaking, and it overreacted. In hindsight, we can say today that those young people anticipated Gorbachev's disarmament policy.

[Question] Is this new tolerance a domestic-policy consequence of the foreign-relations "policy of dialog" with ideological opponents?

[Answer] Yes. The relationship between the state and the church is a practical application of this "policy of dialog." The state and the party are really ready to listen seriously, and not to take pat answers into their discussions with us. As a matter of fact the international "policy of dialog" would really not be credible, if it were not accompanied at home by the effort to hold a dialog with those holding other views. And there are clear-cut instances of progress to be observed, since a well conducted dialog should after all really always lead to more tolerance.

[Question] Does the Christian in the GDR perceive this tolerance in everyday life as well? Is the discrimination against him at an end?

[Answer] Yes and no. Yes, because discrimination would be incompatible with the policy of dialog. This policy realizes that Christians here and throughout the world are important partners for the state. And no, because everyday life is not shaped by those who stand at the top of state and party, but by people who have for years been taught that religion is unscientific and therefore false. For this reason, there is still discrimination in practice.

[Question] A gap, in other words, between the high talk of the SED politburo and the practical policies of the district party secretary running things on the spot?

[Answer] No. Naturally, every district secretary, and indeed every school principal, is aware of the "policy of dialog." But there is simply a difference between theoretical knowledge and practical behavior. We Christians have two rules of thumb here. First, we recommend that our members make themselves known as Christians from the start, without waiting for conflict situations. Second, we look into each and every case of discrimination in detail. And not just in response to the individual case, but for the sake of the overall climate.

[Question] Motions against the "policy of demarcation" have been put before your Federal Synod. The movers of these proposals are asking that the church openly advocate "legally guaranteed freedom to travel in Western countries." Will the Synod agree to these motions in September?

[Answer] This motion contains many important initiatives which will certainly be taken up by the church. What will cause discussion is the question whether this should be subsumed under the concept of "demarcation."

[Question] For the GDR, separation of church and state means that the church under socialism is to refrain from all political campaigns and positions. Does the motion against the "policy of demarcation" necessarily entail renewed conflict with the state?

[Answer] No one is asking us to keep silence on social questions that affect everyone. Subjects like the travel problem arise from practical pastoral experience. Here we try to comfort individuals, but we also pass on our experience to the state.

[Question] But the state does demand of the church it abide by the realities the communists have created. Do you feel that the church can alter the restrictive travel realities?

[Answer] We would of course be acting irresponsibly if we publicly raised visionary demands, asking for example that each GDR citizen be provided with a passport complete with valid exit visa. Although this demand cannot be fulfilled, it should remain a long term goal. For the passport is the strongest proof of trust the state can give the citizen—it would be a kind of coming-of-age

certificate in a system that some perceive as tutelage. But changes are possible in the GDR only in stages and with patience. I see a diaconal task for the church in this: to be a fosterer of patience, in the interest of the changes we believe in and consider urgently necessary.

[Question] You ask patience, despite the fact that travel restrictions are many GDR citizens' chief grounds for dissatisfaction with their government?

[Answer] There are certainly thousands of people who are dissatisfied for this reason. At the same time, however, there are millions of citizens who indeed also have their problems, but who are not, generally speaking, dissatisfied. For them, the travel issue is not the one and only concern. There are in fact also recurring problems with consumption goods, or concerns about the lack of opportunities for input on communal and social issues.

[Question] It is not just young people with commitment on social issues, but also for example punks and rock fans, who feel drawn to the church's stance of distancing itself from the centralized state. How do you deal with this nonconformist youth?

[Answer] Our social deacons in fact have the most experience with these young people. This work requires an enormous amount of patience, because it is concerned with young people having peculiar and aggressive behavior patterns.

[Question] Tolerance as the state's church-policy line does nothing to alter the massive loss of members by the church in the GDR. How do you view the church in the GDR. How do you view the church in the year 2000?

[Answer] Clearly, the national church is dying out in biological terms. In this part of Germany, of course, it used to be the thing to do to be a member of the evangelical church. This conformity has not given place to a matter of conscious decision. I estimate that at the turn of the century we will still have a quarter of the GDR citizens who have decided in our favor. Of course we will then no longer be a national church; but we will remain a church in the nation.

13070/12232

### **Protestant Newspaper Calls for Freedom of Information**

23000017 Jena *GLAUBE UND HEIMAT* in German  
11 Oct 87 p 1

[Commentary by Gottfried Mueller: "Being Informed"]

[Text] Even Christians do not always manage information in an exemplary manner. But their faith is founded upon openness and spreading the word: Christ's message is to be delivered to a world whose condition is to be examined and made known with Biblical realism. Information is important for Christians!

For this reason they have followed with interest the drama over the issue of information which was to be seen these past weeks and months. I recall a discussion about domestic environmental problems. A young scientist said: "The argument that the release of data would only serve the interests of the class enemy beyond the borders has at last been rendered historically outmoded!" He was thinking about the lessons the GDR learns when journalism "from over there" pours news, speculation and opinion into the information gaps left open and plays a part in shaping public opinion.

Meanwhile, the document by the SED and SPD about the contest of ideologies has appeared as well. In it, the argument that certain restrictions on information are outmoded is convincingly supported. In the process of assuring peace and in the competition between systems, it states, an increasing degree of importance attaches to the citizens' being thoroughly informed in East and West. And: "Frank discussion about the competition of the systems, their successes and failures and advantages and disadvantages, must be possible within each system."

It can be assumed then, that experts who speak about environmental problems soon will no longer have to apologize for the gaps in their knowledge, but will endeavor to document their explanations with data and facts. The authorities administering statistics will also be faced with the issue of whether certain statistical information cannot again be made public.

Viewed historically, the attempt to prevent information from being exposed to possible misuse is indicative of an unstable situation. That the GDR has long stood firmly upon two feet was again unmistakably demonstrated during the visit of Erich Honecker in the Federal Republic of Germany. It therefore stood to reason that during the days of the visit we were almost swamped by information. In addition to what the chairman of the State Council was saying, the leading political figures of our neighboring country had their unedited say in all the media, even when they represented a different opinion.

GDR citizens—and among them Christians—were grateful for that. And they will be grateful if this openness continues. In this way, they see themselves taken seriously as full-fledged citizens. They themselves can

now apply what was given to them in the way of political education and training. They will not run the risk of proving to be the less well informed ones in the comparison of the systems.

The synod of the GDR Council of Churches recently noted that the problem of information is also significant in the areas of justice and administration. The authorities' decisions must be comprehensible and based upon commonly-known regulations. It is wholly within the spirit of the above-cited SED/SPD document that the synod views information not as the privilege of a certain select few because in that case painful isolating experiences, resignation and perhaps even aggression would be foreordained. But, conversely, it is also important that the citizens utilize existing sources of information and liberally exercise his rights. Being informed—that is both a right and a duty.

13238/12232

## POLAND

### Noncompliance With Antialcoholism Law Examined

26000760b Warsaw TRYBUNA LUDU in Polish  
13 Aug 87 p 3

[Article by Marek Krupa: "They Are Still Drinking in the Workplace : Prosecutor's Investigation"]

[Text] During the 5 years that the law on maintaining sobriety and combatting alcoholism has been in effect, the picture given at a recent meeting of the Commission on Combatting Waste and Unthriftiness and Improving the Protection of Public Property gives no cause for optimism.

The commission on Adherence to Law, Public Order, and Social Discipline, which operates within the framework of the Committee of the Council of ministers, had a wealth of material from audits and monitoring conducted by the prosecution bodies in 1986, as presented at the meeting chaired by Jozef Zyty, Polish Procurator General.

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